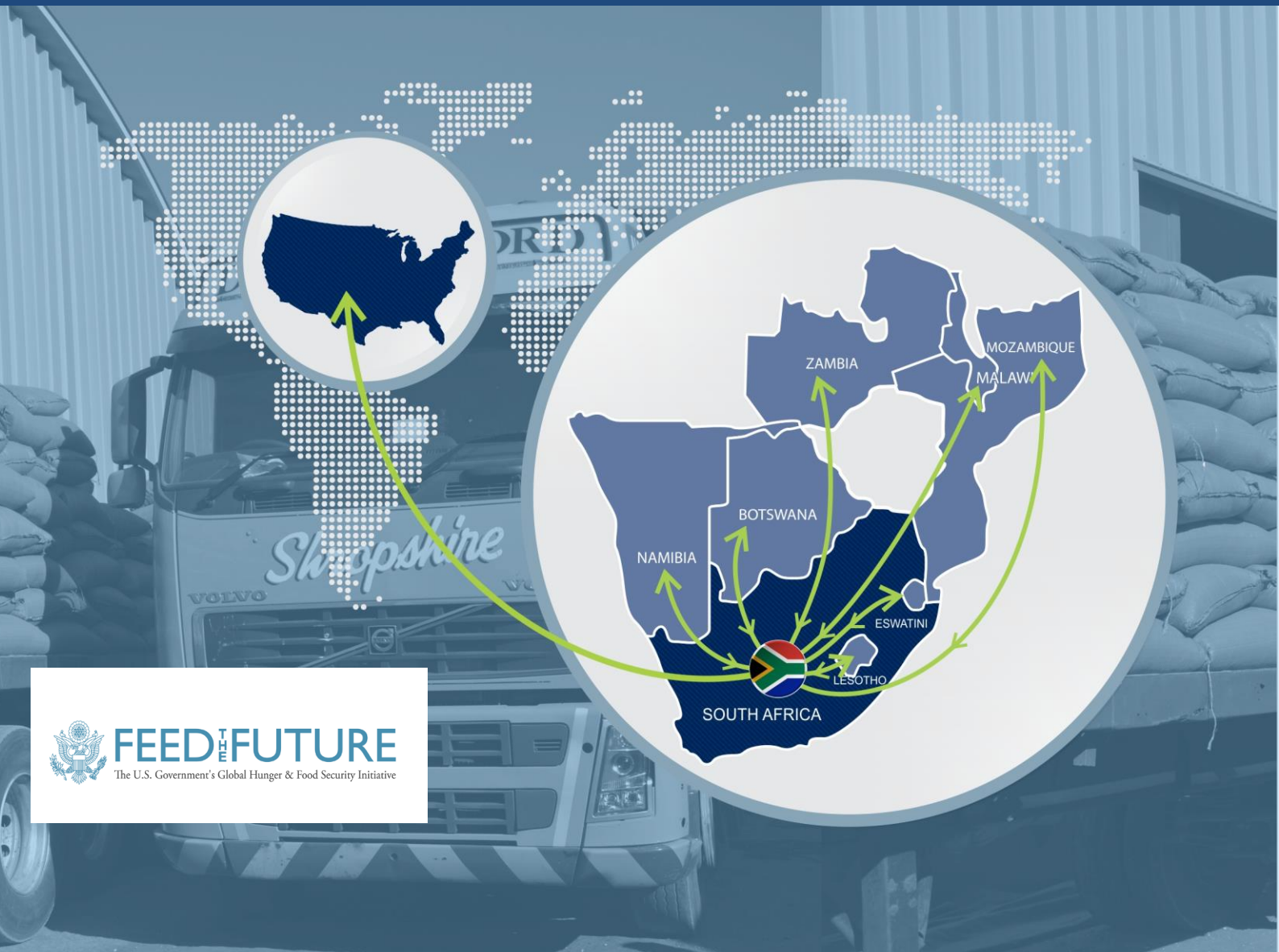


SOUTHERN AFRICA TRADE AND INVESTMENT HUB

Annual Work Plan (October 1, 2019 – September 30, 2020)
Pretoria, October 2019



SOUTHERN AFRICA TRADE AND INVESTMENT HUB

Annual Work Plan (October 1, 2019–September 30, 2020)

Contract No. AID-674-C-16-00004

Submitted to:

USAID/Southern Africa

Prepared by:

DAI Global, LLC

Disclaimer:

The authors' views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

CONTENTS

ACRONYMS.....	IV
1. INTRODUCTION	1
PROGRESS TO DATE.....	1
STRATEGY GOING FORWARD	2
LOGICAL FRAMEWORK AND GOALS.....	3
2. TECHNICAL ACTIVITIES.....	7
GUIDING PRINCIPLES.....	7
TARGETED SECTORS FOR EXPORTS FROM THE REGION TO SOUTH AFRICA	8
EXPORTER SELECTION CRITERIA	10
INVESTMENT SELECTION CRITERIA.....	14
ASSUMPTIONS AND LEARNING AGENDA.....	18
OBJECTIVE 1: INCREASED EXPORTS TO SOUTH AFRICA FROM THE REGION.....	19
Progress to Date and Lessons Learned	19
Current Situation	19
Approach to Achieving the Objective.....	20
Ongoing Activities Transitioning to Year 4.....	21
Activities.....	22
Expected Objective 1 Outputs.....	24
OBJECTIVE 2: INCREASED INVESTMENT OUT OF SOUTH AFRICA TO THE REGION.....	25
Progress to Date and Lessons Learned	25
Current Situation	25
Approach to Achieving the Objective.....	27
Ongoing Activities Transitioning to Year 4.....	29
Activities.....	29
Expected Objective 2 Outputs.....	34
OBJECTIVE 3: SUSTAINABLE AGOA UTILIZATION BY THE SOUTHERN AFRICAN COUNTRIES	36
Progress to Date and Lessons Learned	36
Current Situation	37
Approach to Achieving the Objective.....	38
Ongoing Activities Transitioning to Year 4.....	39
Activities.....	40
Expected Objective 3 Outputs.....	42
ZAMBIA BUY-IN	49
Progress to Date and Lessons Learned	49
Current Situation	50
Approach to Achieving the Objective.....	50
Ongoing Activities	50
Activities.....	51
Expected Objective 4 Outputs.....	54
3. MANAGEMENT AND OPERATIONS.....	55

PROGRAM MANAGEMENT AND ADMINISTRATION	55
One Team Approach.....	55
Upcoming Recruitment Activities.....	56
OPERATIONS.....	59
Human Resources	59
Administration	59
Procurement	59
Finance	59
COMPREHENSIVE LIST OF ACTIVITIES FOR PROJECT YEAR 4	59
4. COMMUNICATIONS AND KNOWLEDGE MANAGEMENT	61
VISION	61
ACTIVITIES	61
6. MONITORING AND EVALUATION	66
VISION	66
ACTIVITIES	66
ANNEX A: COUNTRY IMPLEMENTATION PLANS	72

TABLES

TABLE 1: SECTOR/PRODUCT SELECTION CRITERIA.....	9
TABLE 2: TARGETED PRODUCTS BY COUNTRY FOR EXPORTS TO SOUTH AFRICA	9
TABLE 3: TYPES OF EXPORTERS, SELECTION CRITERIA, AND HUB SERVICES OFFERED.....	11
TABLE 4: TYPES OF INVESTMENT AND HUB-SUPPORTED SERVICES	17
TABLE 5: HUB-FACILITATED EXPORTS TO DATE	19
TABLE 6: HUB IMPLEMENTATION PARTNERS BY COUNTRY	20
TABLE 7: SAMPLE ONGOING ACTIVITIES.....	21
TABLE 8: HUB PARTNERS BASED IN SOUTH AFRICA (REGIONAL AND SOUTH AFRICAN).....	26
TABLE 9: EXPORTER FINANCING NEEDS AND HUB INTERVENTIONS	28
TABLE 10: CURRENT DEALS IN THE HUB PIPELINE.....	29
TABLE 11: AGOA EXPORTS TO DATE AND PIPELINE.....	37
TABLE 12: AGOA UTILIZATION STRATEGY DEVELOPMENT AND IMPLEMENTATION.....	39
TABLE 13: HUB INDICATOR TABLE AND TARGETS	45

FIGURES

FIGURE 1: THE HUB’S THREE OBJECTIVES	4
FIGURE 2: LINKING OUTCOMES TO OBJECTIVES.....	5
FIGURE 3: LINKING OUTPUTS TO OBJECTIVES.....	6
FIGURE 4: HUB ACTIVITIES UNDER OBJECTIVE 2.....	30
FIGURE 5: SUMMARY OF HUB ACTIVITIES AND EXPECTED OUTPUTS.....	44
FIGURE 5: SOUTHERN AFRICA TRADE AND INVESTMENT HUB TECHNICAL TEAM	57
FIGURE 6: SOUTHERN AFRICA TRADE AND INVESTMENT HUB COMMUNICATIONS, KNOWLEDGE MANAGEMENT, MEL, AND OPERATIONS TEAMS.....	58
FIGURE 7: COMMUNICATIONS/KNOWLEDGE MANAGEMENT FY2020 ACTIVITIES.....	62

FIGURE 8: MEL/CLA FY2020 ACTIVITIES68

ACRONYMS

AGOA	African Growth and Opportunity Act
AWP	Annual Work Plan
BITC	Botswana Investment and Trade Commission
BMO	business membership organization
CLA	collaborating, learning, and adapting
Comms/KM	communications and knowledge management
COP	Chief of Party
DCOP	Deputy Chief of Party
DQA	data quality assessment
DTI	Department of Trade and Industry
FDA	U.S. Food and Drug Administration
FDI	foreign direct investment
FSP	financial services provider
FTF	Feed the Future
FY	fiscal year
HR	human resources
Hub	Southern Africa Trade and Investment Hub
LUSE	Lusaka Stock Exchange
M&E	monitoring and evaluation
MCTI	Ministry of Commerce, Trade and Industry (Zambia)
MEL	monitoring, evaluation, and learning
NEP	National Enquiry Point
NTFC	National Trade Facilitation Committee
PIMS	Phytosanitary Information Management System
PMEP	performance monitoring and evaluation plan
PMU	Project Management Unit
Q	quarter
SADC	Southern African Development Community
SME	small and medium-sized enterprise

SPEED+	Supporting the Policy Environment for Economic Development project
SPS	sanitary and phytosanitary
STTA	short-term technical assistance
SWIFT	Swaziland Fair Trade
TFA	Trade Facilitation Agreement
TIKZN	Trade and Investment KwaZulu Natal
TIPA	trade and investment promotion agency
TPSP	trade promotion service provider
USAID	U.S. Agency for International Development
WESGRO	Western Cape Investment Trade Promotion Agency
WRAP	Worldwide Responsible Accredited Production
WTO	World Trade Organization
ZAGIS	Zambia Grain Information System
ZAMACE	Zambian Commodity Exchange
ZARI	Zambia Agricultural Research Institute
ZDA	Zambia Development Agency
ZRA	Zambia Revenue Authority
Z-TIP	Zambia Information Trade Portal

SOUTHERN AFRICA TRADE AND INVESTMENT HUB: FISCAL YEAR 2020 WORK PLAN

Per USAID direction, this Annual Work Plan (AWP) presents a detailed description of the USAID Southern Africa Trade and Investment Hub (Hub) technical approach, implementation methodology, and services offered to its partners across Southern Africa. The AWP objective is to clearly communicate to stakeholders the Hub objectives and service offerings. **Country Implementation Plans** included in Annex A detail the planned implementation of each Hub activity at the country level, including export and investment pipelines, key partners, and expected activity timelines. These plans will serve as Hub implementation roadmaps in each country against which Hub progress will be monitored.

1. INTRODUCTION

The USAID Southern Africa Trade and Investment Hub engages with partners across the region to increase sustainable economic growth, global export competitiveness, and trade in targeted Southern African countries. It supports these objectives by increasing exports from Southern African countries to South Africa and the United States (under the African Growth and Opportunity Act [AGOA]), boosting capital and technology flows from South Africa to other Southern African countries, and providing targeted trade facilitation support to Zambia. The Hub works with market actors to identify and resolve enterprise

constraints and to implement sustainable solutions through market-based trade and investment facilitation services. The Hub's programming closely reflects the U.S. Government's partnership with Southern African private enterprises, U.S. government agencies, Southern African Development Community (SADC) member states, local and regional trade associations, and other development partners. The Hub partners with the USAID Bilateral Missions through the Regional Mission in the successful delivery of its objectives.

Hub Facts:

- Funding Ceiling: \$73.7 million
- Duration: 2016–2021
- Office Locations: Pretoria, South Africa; Lusaka, Zambia
- Geography: Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, and Zambia (eligible but not active countries: Angola, Democratic Republic of the Congo, and Zimbabwe)

PROGRESS TO DATE

To date, Hub activities have facilitated more than \$59 million in African intra-regional trade and exports to the United States, including through AGOA; \$153.2 million in private sector investment (\$94.2 million in agriculture and \$59 million in non-agriculture sectors); and \$16 million in agriculture related finance. The Hub has also formed 30 public-private partnerships and created 1,448 new jobs.

STRATEGY GOING FORWARD

In the fourth year, The Hub introduces two shifts to better enhance the Project's ability to achieve its objectives. The first shift is from an inter-regional model of trade and investment to a South Africa-centric approach recognizing its role as the driver of economic growth in the region. The second shift is from a direct Hub firm-level assistance model to an enterprise led focus where enterprises are supported by other market actors to ensure the impact of the Hub is sustainable.

During the first three years of implementation, the Hub increased global and intra-regional trade, taking advantage of AGOA, investment, and trade facilitation to deepen regional economic integration and drive commercial expansion. Going forward, in partnership with USAID, the Hub will narrow its activities to achieve the following three objectives:

1. Increased exports to South Africa from targeted Southern African countries.
2. Increased investment (capital and technology) out of South Africa to targeted Southern African countries.
3. Sustainable utilization of AGOA opportunities by targeted Southern African countries.

In addition, the Hub will improve Zambia's trade enabling environment as part of a buy-in from USAID/Zambia.

This shift represents a more explicit focus on South Africa's role as the region's economic driver. The Hub will leverage South African demand, to facilitate trade between exporters in the region and buyers in South Africa. It will also promote South African investment into the targeted sectors to enhance export-ready firms' competitiveness. The Hub defines South Africa investment broadly to include capital (debt and equity) and technology (equipment, services, systems, processes) supplied through the country.

The Hub's new strategy takes advantage of and leverages the team's experience and relationships with exporters and investors developed over the past three years. It is based on the hypothesis that South Africa is and will remain the economic driver and engine of trade and investment for the Southern Africa region. Part of this hypothesis is that global investors use South Africa as their first stop for further investments into the region. This hypothesis is informed by the trade and investment dynamics between South Africa and the rest of the region. South Africa's gross domestic product is four times larger than that of the other seven target countries combined.¹ In 2017, SADC countries accounted for 22.8 percent of South Africa's total exports and a mere 6.7 percent of its imports. We believe there is scope to increase the intra-SADC trade inflows into South Africa. Meeting South Africa's standards—which are comparable to those of the United States and other markets—will position exporters to South Africa to ultimately export to other high-value markets. Foreign direct investment (FDI) into South Africa more than doubled from 2017 (\$2 billion) to 2018 (\$5.3 billion), attributable largely to intra-company transfers by established investors.² The inflows demonstrate that South Africa is a relatively favorable investment destination in the region. Leveraging these capital and technology flows to the targeted countries has the potential to increase intra-SADC investment and boost private sector activity in the targeted countries. South Africa has a world-class finance industry, with global hedge and private equity funds, multinational companies, sophisticated industries, and supply chains into the region. South Africa's growth prospects in turn depend on investment and expansion into the region and improved export competitiveness into the United States.

¹ South Africa's 2017 gross domestic product was \$349.4 billion, compared to \$82.4 billion for the other seven target countries combined. SADC, 2017.

² United Nations Conference on Trade and Development, *World Investment Report*, June 12, 2019.

The FDI outflows in 2018 were \$4.5 billion. Interestingly, South Africa had a high FDI stock outflow of \$154.6 billion in 2015, rising to \$237.9 billion in 2018³—indicative of an active investment outflow from South Africa.

Over the past three years, Hub’s experience in trade promotion and investment facilitation generated a number of insights, demonstrated opportunities to substantially increase trade of goods within the region, and highlighted the greater role that South Africa could serve in its regional market. Under AGOA, the largest number of companies participating in U.S. trade activities were from South Africa. Approximately 30 percent of the Hub-assisted investment to date has been provided by South African investors. For example, the Hub supported Musa Capital, a South African private equity investor, to make an investment of \$3.2 million in a Namibian aquaponics farm.

In addition, the Hub’s strategy going forward reflects an increased focus on its exit strategy and reorientation from a direct delivery model to a market systems approach. This involves strengthening the ability of market actors with which the Hub has been working to date—trade promotion service providers (TPSPs), investment firms, and other financial service providers (FSPs)—to continue to promote trade and investment beyond the life of the Hub.

The Zambia buy-in will continue as a standalone activity to improve the trade enabling environment in Zambia. The rationale for a single-country focus is born out of the Hub’s experience that a region-wide trade facilitation and policy harmonization focus yields limited social and political capital to achieve meaningful results within the timeframes available. A focus on Zambia in support of its World Trade Organization (WTO)-Trade Facilitation Agreement (TFA) commitments is a demand-driven approach that seeks to enable the country to create a demonstration effect for other countries in the region.

LOGICAL FRAMEWORK AND GOALS

Project goals and logical framework have been adjusted to reflect the Hub’s new strategy. Following USAID’s guidance, performance indicators and targets will be finalized in consultation with USAID once the AWP activities are approved.

Our strategy for achieving these results is summarized in our logical framework (Figure 1 below), which links the Hub activities to expected outcomes and high-level results. The framework provides a roadmap summary of all project activities planned in Year 4 and their expected outcomes.

Figure 1 shows the three objectives and how they contribute to Intermediate Result 1.2—increased trade with an emphasis on agriculture—and Development Objective 1—increased sustainable economic growth in targeted Southern African countries. Figures 2 and 3 show the program outcomes and outputs and how they contribute to the three program objectives.

Project Goals for Year 4

Exports to South Africa and Under AGOA Increased

- \$10-12 million in exports in targeted non-agricultural and agricultural commodities from Hub-supported firms (to South Africa and the United States)
- 50 export deals facilitated
- 50 firms that have improved management practices or technologies as a result of USAID assistance
- 7 TPSPs offering market-linking services on a commercial basis

Investment from South Africa Increased

- \$14 million in investments facilitated/deals closed
- \$6 million in debt finance facilitated
- 37 finance deals closed
- 4 enhanced financial models introduced/supported

³ Ibid.

FIGURE 1: THE HUB'S THREE OBJECTIVES

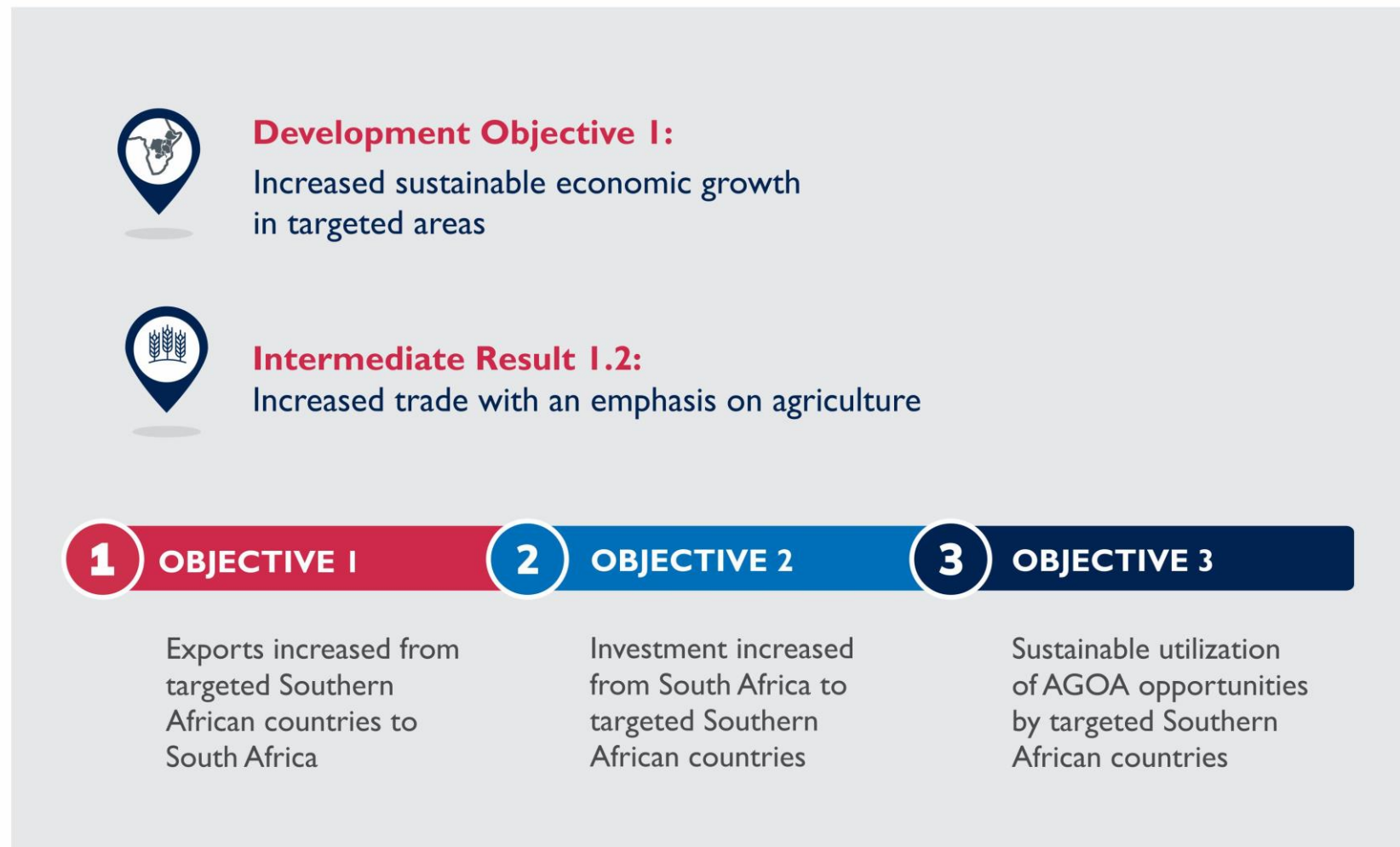


FIGURE 2: LINKING OUTCOMES TO OBJECTIVES

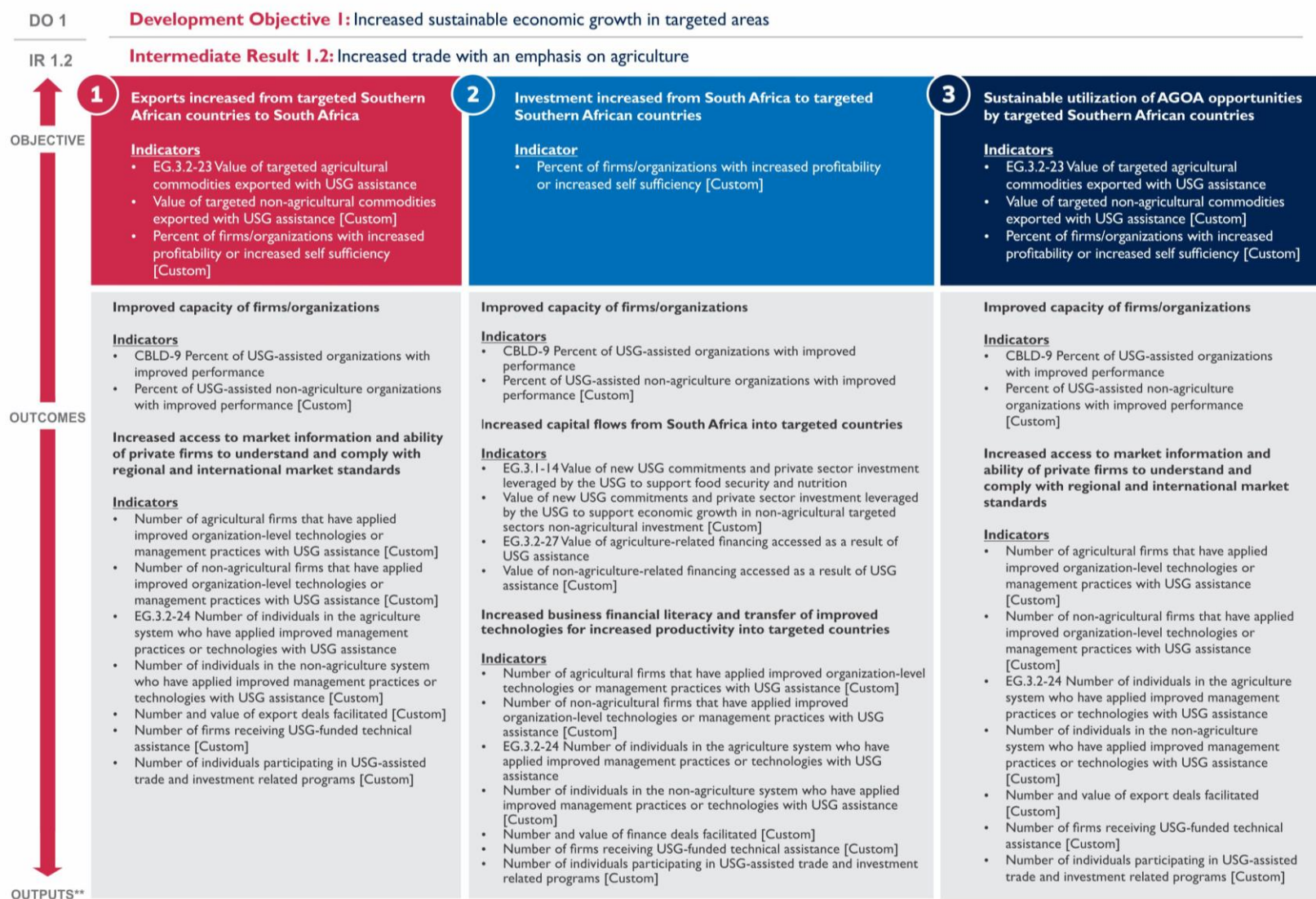
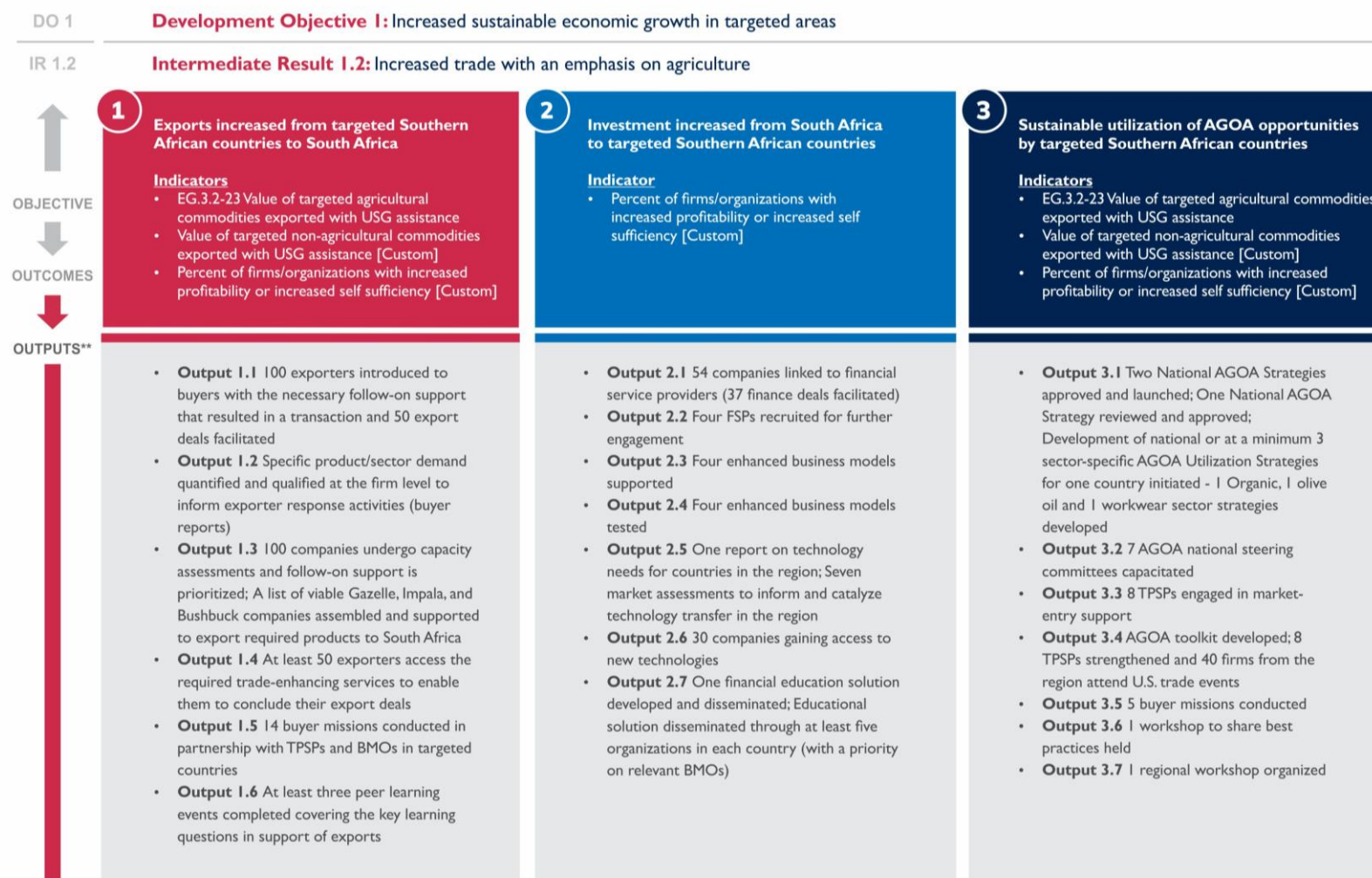


FIGURE 3: LINKING OUTPUTS TO OBJECTIVES



**NB: The activities for these outputs are in tables 1, 2, and 3 below under the respective objectives' expected results.

2. TECHNICAL ACTIVITIES

In view of the refined focus of Hub activities in partnership with USAID, the Hub team used the development of this AWP as an opportunity to reassess our overarching approach, targeted products/sectors, and types of exporters and investments supported, with the objective of incorporating lessons learned and strengthening the Hub's sustainability strategy. This section details the Hub's technical activities in support of the three objectives and the Zambia buy-in. It covers the guiding principles for Hub's activities, targeted sectors, and the selection criteria for exporters and investments supported by the Hub. Descriptions of activities under each objective follows.

GUIDING PRINCIPLES

The Hub's technical implementation activities are guided by the following overarching principles:

- **Build on previous achievements, existing relationships, and lessons learned.** The Hub will work with market actors and government agencies to leverage investment to date and relationships established in the first three years to support existing and develop new work pipelines and source new trade and investment opportunities. The Hub activities build on the concepts and models that have been proven successful to deepen our impact and strengthen the market systems to deliver continued services after the Hub closes.
- **Focus on enterprise-led approach.** Enterprises are at the center of our customer-centric approach and all activities are demand-driven and based on partner readiness to invest and cost-share in project assistance. All activities will be driven by market actors, with the Hub transferring knowledge, tools, and systems that have been developed over the past three years. The Hub will address enabling environment issues on a case-by-case basis as they arise from the private sector as barriers to trade and investment.
- **Promote synergies among objectives.** The Hub's approach will leverage synergies among the project's interlinked objectives and implement all activities in an integrated manner. In promoting exports from targeted Southern African countries to South Africa, the Hub will boost enterprise competitiveness through infusion of capital and technology to accelerate growth in trade. For instance, companies that seek to export to South Africa and the United States may need to upgrade their production technology, systems, and equipment to meet market requirements. Such upgrades will, in turn, trigger opportunities for the exporting companies to attract additional capital.
- **Ensure sustainability.** The value of the Hub's work is not just in increased exports and investment. More importantly, Hub activities strengthen the relationships and proven market systems within which exporters and investment facilitators operate to the point where the Hub can step back and allow the private sector to engage directly. The Hub's dual focus this year is on 1) increasing exports and investments through an engaging and dynamic private sector; and 2) building the market-based systems that enable countries to continue to trade by strengthening institutions' and market actors' ability to deliver the Hub's trade promotion and investment facilitation services after the project ends. The Hub has already been working with key market actors that can be supported to sustainably deliver the trade and investment facilitation services going forward. To ensure a balance between the establishment of market-based systems and the need to deliver quick results, the Hub will use a combination of direct assistance and facilitation and, as much as possible, will transition from providing transactional support to building the capacity of market actors—TPSPs, business membership organizations (BMOs), trade and investment promotion agencies (TIPAs), and FSPs—through the transfer of tools, processes, and business models that have proven effective.

- **Test, pause, reflect, and adapt.** The Hub team will take advantage of what has been learned over the past three years to enhance facilitation of trade and investment and will continue to strengthen existing, and test new, partnership and investment models. The Hub will support select FSPs to deliver financial products to exporters on a payment-by-results basis. On the trade side, the Hub will help TPSPs adopt the Hub-developed tools and systems and develop exporter support services. The Hub will award them short-term contracts with payment-for-results deliverables-based mechanisms to allow for quick testing, experimentation, and adaptation. Our approach is premised on collaboration with market actors, continuous learning, and evidence-based management decisions in response to new information and changing market contexts. Our data collection will influence our reflective learning, as detailed in the learning agenda below.

TARGETED SECTORS FOR EXPORTS FROM THE REGION TO SOUTH AFRICA

During the first three years of implementation, the Hub facilitated trade in textiles and apparel, specialty foods, grains and staple foods, and arts and crafts. These sectors had strong demand in intra-regional and U.S. markets and strong performance in the European and other markets. In Year 4, the Hub will adjust its sector/product focus to better respond to its strategic private sector partners and market demand opportunities in South Africa, in line with the Hub's new concentration on increasing exports from the region to South Africa and facilitating investment from South Africa into the greater Southern Africa region. Our sector focus going forward reflects the following insights gained through Hub implementation to date:

- South African companies find that sourcing raw material inputs from the subregion is significantly less expensive than relying on imports via deep-sea ports. For instance, groundnut-processing companies in South Africa enjoy cheaper raw materials (\$850/MT from the region vs. \$1,300/MT). The Hub has effectively linked Zambian companies to South African buyers under this model. In addition, the typical turnaround time for imports from within Southern Africa is 7–21 days, as opposed to 30–45 days for deep sea imports. The value proposition offers an opportunity for linking regional exporters to buyers in South Africa.
- The Hub's earlier focus on staple food crops was driven by the need to promote food security in the region. However, because Southern Africa experiences droughts every two years, there are not always enough surpluses to trade across borders. In addition, the governments of countries with surpluses of maize, in particular, tend to impose trade bans that restrict the export of much-needed staple foods. Because of the politics involved in food trade, the Hub will now refrain from working in staple crop sectors.
- The products and ingredients that constitute specialty foods, such as honey, moringa, herbs, sauces, cashew nuts, and macadamia nuts, have seen growing regional and international export market demand. In addition, many of the Hub's export successes have come from the specialty foods, groundnuts, and textiles sectors. Thus, the Hub will continue to support these specialty foods and will target sectors that have regional processing linkages into South Africa, such as groundnuts. In particular, the Hub sees opportunities to enhance exports from the region to companies in South Africa for product consolidation and processing as well as re-export under AGOA.

To inform the Hub's selected sectors, the Hub team performed a detailed sector and trade flows analysis that entailed a review of 25 potential sectors that have demand growth opportunities in South Africa. The Hub evaluated each sector against six broad criteria and 21 sub-criteria. The key criteria are summarized in Table 1, below.

TABLE 1: SECTOR/PRODUCT SELECTION CRITERIA

#	Criterion	Weight	Description
1	Sector/Product End-Market Demand	20	What is the overall size of the market opportunity (volume and value of demand, unmet demand) in the end-market?
2	Private Sector Dynamism	20	What are the levels of innovation, productivity, competitiveness, and collaboration (including industry concentration) in the sector?
3	USAID-Eligible Sector/Products	10	Does the sector or product meet Hub and USAID eligibility criteria?
4	Sector/Product Environmental Compliance	10	Does the sector or product meet USAID environmental requirements/criteria?
5	Inclusivity and Value Chain Linkages	20	Are women, youth, and other marginalized groups engaged in the product/sector and, if so, in what parts of the chain?
6	Feasibility and Sustainability	20	Can meaningful and sustainable trade results be achieved within the Hub's implementation time horizon?

The Hub will support exports in 19 sectors/products across the Hub's geographical footprint of 8 countries, that received the highest scores based on the analysis; each demonstrates a combination of market demand in South Africa and regional capacity to respond with competitive products.⁴ They have been identified as key growth drivers in the South Africa market with opportunities to facilitate exports from firms in the targeted SADC countries into South Africa. Table 2 shows the products that will be the focus of export promotion from each targeted country to South Africa. To complement export support, the Hub's investment objective will be fully integrated to support deals tied to export deals and deals that support broader market system growth opportunities in targeted sectors. The Hub will continue to review sector growth opportunities and will remain opportunistic as new product opportunities emerge for either export or investment support.

TABLE 2: TARGETED PRODUCTS BY COUNTRY FOR EXPORTS TO SOUTH AFRICA⁵

Products	Zambia	Botswana	Namibia	Malawi	Eswatini	Lesotho	Mozambique
Groundnuts	•			•			•
Macadamia nuts	•			•	•		•
Cashew nuts							•
Soya beans	•			•			
Honey	•				•		
Sugar beans	•			•			
Fish	•		•				•
Meat and meat products		•	•				
Textiles and apparel		•	•		•	•	
Salt		•	•				
Olive oil			•				
Sauces	•			•	•		
Dates			•				
Raisins			•				
Table grapes			•				

⁴ Detailed scoring sheets for each sector are available upon request.

⁵ The list of products refers to targeted products for export from the targeted Southern Africa countries to South Africa.

Products	Zambia	Botswana	Namibia	Malawi	Eswatini	Lesotho	Mozambique
Tea				•			
Bananas					•		
Bottled water						•	
Moringa	•			•			•
Medicinal plants						•	

EXPORTER SELECTION CRITERIA

During its first three years, the Hub worked with exporters on intra-regional trade initiatives for targeted countries to trade among each other. The team also worked with trade and investment promotion agencies and BMOs to facilitate exports. The parameters for firm selection were based on export-readiness, ability to meet market requirements, and willingness to cost-share. Moving forward, the Hub will classify companies in the region into three tiers—Tier 1: Gazelles already exporting to South Africa and seeking market diversification in South Africa; Tier 2: Impalas that are export-ready and are exporting to other low-value markets and seek markets in South Africa; and Tier 3: Bushbucks that are potential exporters but are not yet exporting and need support to enter the South African market. The Hub will, based on the needs of each category of firms, offer tailored services in response to these needs. Table 3 summarizes the types of companies with which the Hub will work, the criteria for selecting such firms, the typical challenges faced by such firms, and the range of services the Hub will make available to each group of firms. The table also provides an example of a firm in each category and expected performance outcomes after Hub support to those firms.

TABLE 3: TYPES OF EXPORTERS, SELECTION CRITERIA, AND HUB SERVICES OFFERED

Firms	Criteria	Exporter Challenges	Services Offered by the Hub	Examples of Firms Currently in the Pipeline	Anticipated Outcomes
Tier 1 Gazelles	<p>Key Characteristics:</p> <ul style="list-style-type: none"> • Already exporting to South Africa and in some cases the United States • Existing formal functional management structures⁶ • Readiness to cost share • Scope to expand/supply-capacity • Light-touch support required to expand markets • Will not crowd out other market players • Some basic standards <p>Key Features: management skills, processing capacity, product certification</p>	<p>Limited knowledge of market opportunities for diversification purposes in South Africa</p> <p>Limited knowledge of and ability to comply with tailored buyer requirements</p> <p>Inability to access appropriate financial products and services because of supply side challenges</p> <p>Exporter Requirements to Grow: desire to expand and diversify export markets and access finance (debt and equity)</p>	<p>Objective 1 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via TPSPs • Investment briefs for accessing capital for expansion <p>Opportunity identification Exporter capacity assessment</p> <p>Support to comply with buyer requirements (e.g., certification) Trade event support Deal brokerage</p> <p>Post-deal care (such as bespoke technical support)</p> <p>Objective 2 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via transaction advisors and FSPs • Investment teasers, introduction to capital providers, due diligence support, investment facilitation 	<p>Gazelle Firm: Satemwa Tea Estates is a Malawi-based 3rd generation family owned tea and coffee estate established in 1923. The company crafts superior teas (and coffees) such as unique artisanal line up of green, white, oolong, black and dark teas exported to North America, Europe and Southern Africa. Satemwa works with small holder farmers for production of specialty herbs/teas for the export market. Following SFF Show 2019, the firm engaged 50 households towards production of at least 5,000 tons for the U.S. The company requires trade finance (debt) for expansion (processing facility upgrade and irrigation).</p> <p>NB: Other firms may require debt or equity finance or both</p>	<p>Objective 1: Gazelle companies diversify and expand their markets into South Africa and the United States and increase their exports</p> <p>Objective 2: Gazelles access appropriate debt and equity finance</p>

⁶ Such a company would have an experienced and capable management structure and team with the capacity to generate management accounts, negotiate export deals, and scale their production to meet export demands.

Firms	Criteria	Exporter Challenges	Services Offered by the Hub	Examples of Firms Currently in the Pipeline	Anticipated Outcomes
Tier 2 Impalas	Key Characteristics: <ul style="list-style-type: none"> • Previous export experience in low-value markets • Need investments to reach higher-value markets • Potential to expand production and achieve scale • Business formality • Willingness and potential to expand into higher-value markets • Some management structures exist but need strengthening. 	<p>Limited knowledge of market opportunities in South Africa</p> <p>Limited knowledge of South Africa buyer compliance requirements</p> <p>Limited capacity to respond to South African buyer requirements (e.g. labeling, branding, certification, packaging, volumes, etc.)</p> <p>Inability to access appropriate financial products and services (both seeker and provider side challenges)</p> <p>Limited management capacity across several disciplines</p> <p>Requirements: desire to enter into the South African market and access to finance (debt and equity), access certification and technology support</p>	<p>Objective 1 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via TPSPs • Opportunity identification • Exporter capacity assessment • Management capacity support <p>Support to comply with buyer requirements (e.g., certification)</p> <ul style="list-style-type: none"> • Trade event support • Hands-on deal brokerage support • Post-deal care (such as bespoke technical support) <p>Objective 2 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via transaction advisors and FSPs • Investment teasers • Introduction to capital providers • Due diligence support • Investment facilitation 	<p>Impala Firm: COMACO (Zambia) works with 179,000 smallholder farmers (mainly women). It processes peanut butter, rice, honey, and soy products. It largely serves the Zambian market but, with Hub support, has expanded into Botswana and South Africa with groundnuts exports. The company requires finance and product certification to supply South African retailers.</p> <p>NB: Other firms may require debt finance</p>	<p>Objective 1: Impala companies expand into South African market and increase their exports</p> <p>Objective 2: Impalas access appropriate debt and equity finance</p>

Firms	Criteria	Exporter Challenges	Services Offered by the Hub	Examples of Firms Currently in the Pipeline	Anticipated Outcomes
Tier 3 Bushbucks	Key Characteristics: <ul style="list-style-type: none"> • Demonstrated national sales experience • Capacity to absorb technical assistance within lifetime of project • Potential and willingness to export to South Africa • Business owner management capacity • Some management structures exist but need strengthening • Potential for linkages as supplier to Hub-supported Gazelle and Impala companies 	<p>Limited knowledge of market opportunities in South Africa</p> <p>Limited knowledge of South Africa buyer compliance requirements</p> <p>Limited capacity to respond to South African buyer requirements (e.g. labeling, branding, certification, packaging, volumes, etc.)</p> <p>Inability to access appropriate financial products and services (both seeker and provider side challenges)</p> <p>Limited management capacity across several disciplines</p> <p>Limited knowledge of export processes and procedures (e.g., incoterms, transport and logistics, export documentation, trade terms, etc.)</p> <p>Requirements: desire to enter into the South African market, seeking to access debt finance, certification, and technology support</p>	<p>Objective 1 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via TPSPs • Opportunity identification • Exporter capacity assessment • Management capacity support <p>Support to comply with buyer requirements (e.g., certification)</p> <ul style="list-style-type: none"> • Trade event support • Deal brokerage • Post deal care (such as bespoke technical support) <p>Objective 2 Services</p> <ul style="list-style-type: none"> • Facilitated assistance via transaction advisors and FSPs • Technical management accounts support • Business plan support • Deal teaser support handholding • Introduction to capital providers • Due diligence support • Facilitation 	<p>Bushbuck Firm: Sylva Foods Solutions Ltd is a Lusaka (Zambia)-based woman-owned food processor. The company produces and packs authentic indigenous dried vegetables (soups, moringa soup, moringa nutri-cereal, moringa teabags, dried leaves). The company is looking for financial support for the purposes of expanding its packing lines (contract packing) and to achieve product certification in their new factory. The company sources raw materials from smallholder farmers in Zambia</p> <p>NB: Other firms may require debt finance</p>	<p>Objective 1: Bushbuck companies are export-ready</p> <p>Bushbuck companies start to export into South African market</p> <p>Objective 2: Bushbuck companies access appropriate finance</p>

Objective 1 target firms: To date, the Hub’s portfolio has been made up of exporters sending their products to South Africa and elsewhere in the Sub-Saharan Africa region. The companies supported under Objective 1 are those that have grown beyond their national markets and are exporting regionally—to South Africa and elsewhere in Africa—but are not yet ready to export to the United States and other offshore markets. These companies fall in the Impalas (Tier 2) category.

Objective 3 target companies: The Hub has also been working with firms that are exporting under AGOA. Such export firms participate in both regional and AGOA trade. The AGOA export firms are predominantly Gazelles (Tier 1) with export activities regionally (in Africa) and to the United States.

In Year 4, the Hub will primarily support Gazelles (Tier 1) to enable them to diversify their markets in South Africa and the United States and Impalas (Tier 2) to enter into the South African market by facilitating effective market relationships and improving their ability to meet export requirements.

Lessons Learned. The Hub has learned that the firms under Objective 1 and Objective 3 can be classified into the three categories:

- **Gazelles (Tier 1)** are already exporting to South Africa and the United States. All gazelles already export to both South African and U.S. markets and therefore participate under Objectives 1 and 3 of the program. These firms require support to expand and diversify their export markets and buyer access as well as scale up their export operations. In addition, they require access to debt and equity finance.
- **Impalas (Tier 2)** are exporting regionally in other parts of Africa and not necessarily to South Africa. Their experience is suitable for less-developed markets with less-stringent product standards. These firms require technical support to enter into the South African market and access to debt finance and certification and technology support to meet the South African market standards. Such firms will be supported under Objective 1 to enable them to access the South African market.

Bushbucks (Tier 3) are firms that have mainly focused on servicing their national markets and are yet to export to any market. Such firms require longer lead times for export capacity building. The bushbuck firms require support to start exporting and to enter into the South African market, seeking access to debt finance, certification, and technology support in a more hands-on approach. The time horizon to deal conclusion is likely to be much higher with such firms. Such firms may be supported under Objective 1 provided there are not enough targeted firms under gazelles and impalas. To date, the Hub has worked with Gazelle, Impala, and Bushbuck firms to promote intra-regional exports, and the Hub’s success has come mainly from Gazelle and Impala companies. Because of the high degree of industrial concentration of firms in various sectors in the region, the number of exporter Gazelle firms outside of the dominant market actors is not large. (For example, the Zambian economy is dominated by six firms that account for almost all copper exports; the remaining quarter of Zambia’s export earnings originate from six other industries dominated by nine firms. In total, 15 firms account for over 80 percent of the country’s export earnings.⁷) Therefore, the Hub’s focus in promoting exports from the region to South Africa will be on developing more Gazelle and Impala export firms that are export-ready.

INVESTMENT SELECTION CRITERIA

Since the inception of the Hub project, the investment intervention facilitated debt and equity investments within the region, providing direct support by an investment advisory service provider—

⁷ Sutton, J., and G. Langmead (2013). *An Enterprise Map of Zambia*. International Growth Centre. London Publishing Company, London, United Kingdom.

CrossBoundary—as well as Hub staff and short-term technical assistance (STTA) support on interventions with banks and other agri-finance providers. The model was implemented by providing a full subsidy for investment facilitation services based on the rationale that investors needed support and market information to assume the associated risks. This approach yielded \$153.2 million in private sector investment (\$94.2 million in agriculture and \$59 million in non-agriculture sectors) against a life-of-project target of \$160 million.

These results demonstrate that there is investment appetite, albeit with some buying-down of risk to overcome firm-level barriers for viable investment deals. In Year 4, the Hub will enable the roll-out of a number of capital and technology facilitation models. Our approach is to partner with two to three targeted investment facilitation companies (transaction advisors and other market system players) with different investment facilitation models to accelerate results while building sustainability. Potential partners include private equity firms, platforms that link capital seekers and capital providers, specialized working capital FSPs and transaction advisory firms. The partnerships with these companies will deliver equity and debt deals on a payment-by-results basis with clearly demonstrated additionality on the deals brokered. The development and testing of several models for the sustainable delivery of investment deals will be an important pursuit to sustain the investment facilitation work.

This refined direction for the remainder of the project is informed by lessons learned to date:

- Equity investments meet specific needs for longer-term capital in firms that have the scale to absorb investments in excess of \$2–\$3 million. However, many firms in the region are too small to absorb this level of investment without losing controlling ownership stake and are reluctant to consider equity capital.
- Equity investment lends itself to addressing the needs of expanding physical infrastructure or providing long-term working capital but does not address the need for quick access to short-term working capital. Short-term working capital is of particular importance for the export businesses supported by the Hub in prepositioning for securing a trade deal.
- Equity investments would typically incur an investment facilitation fee of 2 percent of the transaction value. In the case of deals in the \$2–\$3 million range, \$40,000–\$60,000 in facilitation fees is not attractive to intermediaries considering that transaction costs are the same, if not more, for smaller deals.
- On average, Hub-facilitated transactions took between four and 15 months to reach financial close. During these long lead times, transactions were at risk of collapse. These delays were generally due to the investor performing due diligence in identifying financial, legal, tax, operational, or commercial issues; adverse political or economic conditions affecting the company; a breakdown in negotiations over the proposed price or terms of the transaction; inability by the investor to secure the requisite funding; and delays or hurdles in obtaining regulatory approvals (e.g., exchange control, competition, transfer of licenses).

Because equity investments generally do not fully meet the needs of targeted export firms for the above-mentioned reasons, in Quarter (Q) 4 of Fiscal Year (FY) 2019, the Hub conducted a market assessment on trade finance within South Africa, Zambia, and Malawi and held two co-creation workshops (on debt finance and investment capital) that brought together capital seekers and capital providers. It was evident from these sessions that there is a disconnect between supply and demand. In addition, innovative models are emerging that can potentially bridge this disconnect and ameliorate the small deal size dilemma often encountered by traditional investment facilitation models. Based on these insights, in Year 4, the Hub will provide the following investment services to facilitate access to

debt and equity capital, as shown in Table 4 below. We expect that the Hub-supported exporters will need some combination of both debt finance and equity investments. The equity deals are likely to be investments in enterprises with the potential to affect the growth of the sector at large, rather than being tied to particular export deals to South Africa.

TABLE 4: TYPES OF INVESTMENT AND HUB-SUPPORTED SERVICES

Deal	Criteria	Enterprise Challenges	Services Offered by the Hub	Examples of Deals Currently in the Pipeline	Anticipated Outcomes
Debt Finance	Key Investment Requirement Characteristics: <ul style="list-style-type: none"> • Already exporting and export-ready • Existing management structures • Readiness to cost-share • Scope or potential to expand/supply capacity • Will not crowd out other market players • Identified export opportunity 	<p>Lack of knowledge about where to access debt finance</p> <p>Inability to access appropriate financial products and services (both seeker- and provider-side challenges)</p> <p>Limited financial management capacity</p> <p>Limited knowledge regarding different instruments available</p> <p>Inability to meet onerous collateral requirements</p>	Objectives 2 Services: <ul style="list-style-type: none"> • Facilitated assistance via transaction advisors and FSPs • Technical management accounts support • Business plan support • Deal teaser support handholding • Introduction to capital providers • Due diligence support <p>Pool of debt-seeking enterprises: We expect to find 60 debt-seeking firms in the region</p>	<p>Zdenakie Ltd (Zambia) is an Impala grain trading company seeking debt capital to finance its expansion and forward integration to procure grain-processing assets. The firm requires \$3 to \$5 million in investment.</p>	Objective 2: Regional firms access appropriate debt finance
Equity Deal	Key Investment Requirement Characteristics: <ul style="list-style-type: none"> • Good business case • Potential to enter higher-value markets • Capacity to adopt technology and capital from South Africa • Potential to expand production • Registered with management accounts (registration, accounts) 	<p>Lack of knowledge about where to access equity finance</p> <p>Inability to meet the capital providers requirements</p> <p>Limited capacity to prepare the investment case</p> <p>Limited technology adoption</p> <p>Limited knowledge regarding different instruments available</p>	Objective 2 Services <ul style="list-style-type: none"> • Facilitated assistance via transaction advisors and FSPs • Business plan and information memorandum preparation • Investment teasers • Introduction to capital providers • Due diligence support • Investment facilitation <p>Pool of equity deal-seeking enterprises: We expect to find 14 equity deal-seeking firms in the region</p>	<p>The Zambian fresh fruit and vegetable sector lacks modern, transparent, and competitive fresh produce wholesale markets. An estimated \$110 million in produce was sold through informal channels in 2017. Savenda Capital Group and a South African market agent have developed a project to establish a fresh produce market. The first phase of the investment requires \$15.5 million (both debt and equity). Once volumes are proven, a further \$16 million in capital is needed to enhance the scale of the proposed market infrastructure.</p>	Objective 2: Regional firms access appropriate equity finance

Given the considerable need for support with raising capital within the region, the Hub will use specific criteria to screen deals which can qualify for support. These include:

- A combination of investment-readiness on the part of the capital seeker and investor interest in the sector and the investment on the part of the capital provider.
- Opportunity to leverage other investments.
- Investment can be realized within life of project.
- Additionality of the facilitation services—i.e., the deal would not have happened without project support or would have taken considerably longer. (See box on the following page).
- Investment-friendly environment in the country or sector, with no significant political or regulatory barriers that make the market fundamentally unattractive.
- Investment is supporting South African companies or technology expanding into the region.

Examples of Additionality of Hub's Investment Facilitation Services

- New type of investors addressing a gap in the market based on the Hub landscape assessment
- New financial instruments addressing a gap in the market based on the Hub landscape assessment
- Potential to create demonstration effects (first investment in sector, first investment by investor class)
- Potential impact (investment going into new region, targeting new clients, new sectors that have little investment)
- Opportunity to accelerate the timing of a deal that would otherwise take too long to materialize

ASSUMPTIONS AND LEARNING AGENDA

In line with our implementation principle of testing, refining, and adapting, the Hub will test a series of assumptions and new models via an action research learning agenda. Specific activities to implement the learning agenda are laid out in the Monitoring and Evaluation chapter of this AWP. Our key project-level implementation assumptions are presented below, and key learning agenda questions are outlined throughout the document.

Key assumptions:

- Consumer spending in South Africa continues to grow, driving demand for imports from the region.
- Regional exporting firms are able to meet South Africa standards and import requirements and are more competitive than deep-sea imports.
- Meat consumption will continue to grow, fueling demand for soya bean.
- Regional political economic developments favor regional cooperation for exports to South Africa.
- South African investors continue to get healthy returns on investment in targeted SADC countries.

OBJECTIVE 1: INCREASED EXPORTS TO SOUTH AFRICA FROM THE REGION

PROGRESS TO DATE AND LESSONS LEARNED

The Hub's objective is to increase exports from targeted SADC countries to South Africa to increase export competitiveness and trade. The Hub has so far facilitated \$59 million in exports to five principal market segments: the United States, Southern Africa region, Rest of Africa, Europe, and Rest of World. This amount includes \$8 million in exports to the United States under AGOA and \$1.2 million in intra-regional trade, as shown in Table 5. Because the focus to date has been on promoting trade and exports to the United States, the amount of exports facilitated from the targeted Southern African countries into South Africa to date has been small.

TABLE 5: HUB-FACILITATED EXPORTS TO DATE

Market Segment	Value of Exports	Percentage of Total Exports	# of Firms	Average Exports per Firm	Tier of Companies
USA - AGOA	\$8.0 million	14%	22	\$365,535	Gazelles and Impalas
USA - Non-AGOA	\$3.4 million	6%	7	\$479,685	Gazelles and Impalas
Southern Africa	\$1.2 million	2%	18	\$67,624	Gazelles and Impalas
Rest of Africa	\$12.1 million	20%	16	\$756,001	Gazelles and Impalas
Rest of World	\$34.4 million	58%	16	\$2,148,957	Gazelles
Totals	\$59.1 million	100%	55	\$1,074,475	N/A

We know that successful exports are premised on identifying pockets of demand in export markets, assessing exporter capacity, supporting their capacity development, and supporting business linkages to enable the transaction, as well as providing post-transaction support. Export promotion requires collaboration at the firm level as well as at the industry level for long-term export success. Our work with TIPAs such as Trade and Investment KwaZulu Natal (TIKZN) and Western Cape Investment Trade Promotion Agency (WESGRO), and with BMOs such as Grain Traders Association of Zambia and Zambia Manufacturers Association, was important to identifying key firms, deepening industrial activity and institutional support, and strengthening learning. Deeper partnerships are needed with BMOs and TPSPs that can continue to provide support to firms beyond the life of the Hub.

CURRENT SITUATION

The South African domestic market is dominated by a few large market actors. In the food manufacturing sector, five major companies (Tiger Brands, Pioneer Foods, AVI Ltd, RCL Foods, and Nestle) control 75 percent of the market.⁸ The retail outlets are also dominated by a few major players, such as Shoprite, Pick N Pay, Spar, Massmart, and Woolworths. Similarly, in the food-processing/service segment, KFC, Spur, and Nandos dominate the industry. The implication for the Hub strategy in Year 4 is that a structured and industry-led approach driven by buyers is needed to promote meaningful export linkages and help exporters build competitive and reliable supply chains

⁸ Greenberg, S. (2017). Corporate power in the agro-food system and the consumer food environment in South Africa. *The Journal of Peasant Studies*, 44(2): 467-496. <http://dx.doi.org/10.1080/03066150.2016.1259223>

within the region. The Hub will work with South African buyers to enable supply chain access for the regional exporters.

Three major challenges limit regional exports into South Africa and present opportunities for Hub technical assistance:

- Regional exporters are not aware of the market and its opportunities, including available buyers and export requirements, and lack skills to effectively communicate and negotiate with the targeted buyers. With Hub support, exporters will identify new productivity and marketing tools, gain knowledge of the market, develop linkages, and close export deals.
- Regional exporters do not have product certifications to meet South African standards. While exporters can secure orders for exports to South Africa or the United States, they often fail to meet the buyer quality specifications. For example, a company that successfully processes and markets its products to South African supermarkets in Zambia has to meet additional product certification requirements to enter the larger and more lucrative South African market of the same supermarket chain. Companies will be required to cost-share with the Hub to make product certification affordable and meet quality standards to enable exports.
- Regional exporters struggle to attract capital and access affordable and tailored financial products that would enable them to fulfill the orders they obtain from South African buyers. The Hub noted the importance of linking finance and trade promotion as complementary interventions to exports; this issue is addressed under Objective 2 of this AWP.

APPROACH TO ACHIEVING THE OBJECTIVE

In Year 4, the Hub will take a two-pronged approach to promoting exports from the Southern Africa region to South Africa—creating demonstration effects by facilitating export deals while also developing sustainability mechanisms for export promotion driven by market actors. The Hub will deliver quick and targeted export promotion by supporting firms directly to meet pockets of product demand already identified in South Africa. In this regard, the Hub will work with existing and identify potential Gazelle and Impala exporters in the region and support them to conclude export deals with South African buyers. The Hub will also partner with TPSPs to ensure that there is transfer of tools and systems for promoting exports with a view to concurrently build the capacity of TPSPs (both private and TIPAs) and BMOs to drive export promotion using the Hub-developed tools. The Hub will deepen its existing relationships with TPSPs to make the TPSPs more performance-based, with a focus on payments for results based on export sales deliverables and the building of exporters' capacity. Table 6 shows key TPSP partners with which the Hub have relationships and with which the Hub will partner in each country. In addition, the Hub will work with the national enquiry points, such as the South African Bureau of Standards, Zambia Bureau of Standards, and Botswana Bureau of Standards, and with certification bodies and auditors such as ECOCERT, South African Grain Lab, and SAGIS in South Africa.

TABLE 6: HUB IMPLEMENTATION PARTNERS BY COUNTRY

Country	TIPAs	TPSPs	BMOs
South Africa	TIKZN, WESGRO, Enterprise Florida, eThekweni Economic Development & Investment Promotion Unit, Gauteng Growth and Development Agency, Eastern Cape Development Corporation (ECDC), Limpopo Economic Development Agency,	Zurcom, Africa House, DMG Events, Messe Frankfurt, Blank page Publishing, International Trade Projects, African Agri Council, CATALYZE	Animal Feed Manufacturers Association, Agribusiness Chamber, Business Unity South Africa, South African Footwear and Leather Export Council

Country	TIPAs	TPSPs	BMOs
	Mpumalanga Economic Growth Agency		
Zambia	Zambia Development Agency (ZDA)	Zambia International Trade and Investment Centre, Africa Business Incentives,	Zambia Grain Traders Association, Zambia Manufacturers Association
Malawi	Malawi Export Promotion Agency	Business Consult Africa	Malawi Confederation of Chambers of Commerce and Industry, Leather Association of Malawi, Grain Traders and Processors Association
Lesotho	Lesotho National Development Corporation (LNDC)	Africa House, Zurcom	Lesotho Textile Exporters Association, Lesotho Chamber of Commerce and Industry, Association of Lesotho Employers and Business
Eswatini	Eswatini Investment Promotion Agency	Swaziland Fair Trade (SWIFT), Africa House	
Botswana	Botswana Investment and Trade Commission (BITC)	Trade Projects, Africa House	Botswana Exporters and Manufacturing Association
Namibia	Namibia Trade Forum	Trade Projects, Africa House	Namibia Chambers of Commerce and Industry
Mozambique	Agency for Investment and Export Promotion, Cashew Promotion Institute	Mozambique Business Consultants	Cashew Industrial Corporation, South Africa – Mozambique Chamber of Commerce, Federation of Mozambican Chambers of Commerce

ONGOING ACTIVITIES TRANSITIONING TO YEAR 4

Several currently ongoing activities will continue into Year 4 (see Table 7). The full list and description of export opportunities currently in the pipeline for each country is included in their respective **Country Implementation Plans** in Annex A.

TABLE 7: SAMPLE ONGOING ACTIVITIES

Activity/Market Opportunity	Hub Support Requirement	Status
Specialty foods (honey, peanut butter, , moringa)	Companies in Zambia (COMACO, Sylva Foods and Jungle Nut) require support to access the South Africa market, such as access to trade finance to source more raw materials, development of product certification standards to meet export requirements, and introduction to product buyers in South Africa.	Ongoing support to access South Africa market currently includes market-entry requirements awareness, awareness of the required certifications, buyer introductions, and scoping of the product certification costs.
Specialty foods (tea, sauces, macadamia, moringa)	Companies in Malawi (Satemwa, Conforzi Plantations, and Nali) require support to access the South African market, such as access to trade finance to source more raw materials, development of product certification standards to meet export requirements, and introduction to product buyers in South Africa.	Ongoing support to access South Africa market currently includes market-entry requirements awareness, awareness of the required certifications, buyer introductions, and scoping of the product certification costs.
Soya bean	Soya bean processors in Zambia and Malawi (Lenziemill, Zdenakie, GWC)	One regional private sector value chain actors roundtable has been concluded and

Activity/Market Opportunity	Hub Support Requirement	Status
	require market linkages to South African soya bean crushers tied to the animal feed industry. A concerted regional value chain activity bringing together private sector actors across three countries is underway in partnership the World Bank.	two more are required in Malawi and Zambia before the regional value chain actors can be brought together to integrate the value chain and conclude soya bean deals.
TPSP assessment and contracting	A regional market assessment of TPSPs across seven countries was completed and the next step is to bring shortlisted TPSPs together to design a support package for exporters.	A regional TPSP co-creation event will take place in Pretoria in Q1 to inform the structuring of the Hub's partnerships with the TPSPs across the region and under AGOA.

ACTIVITIES

Hub activities and its range of service offerings across all targeted South African countries are described below. **Country Implementation Plans** included in Annex A include detailed plans for achieving Hub results in each country, including export pipelines and timeline of activities.

Activity 1.1: In coordination with TIPAs and BMOs, facilitate trade deals between targeted exporters and identified buyers

Starting in Q1, the Hub will continue to facilitate deals for export-ready firms that are already in the pipeline to ensure that the Hub finalizes the deals currently underway. This work will include facilitated business-to-business (buyer and seller) meetings, cost-sharing of certification costs to meet market-entry requirements, help with negotiations, and post-deal support. Priority deals are in the groundnuts, soya beans, and specialty foods sectors in Zambia, Malawi, and Botswana, where specific exporters (such as Sylva Food Solutions Ltd, COMACO, Guranti, and Jungle Beat) were already linked to buyers in South Africa and now require further support to conclude those deals. An example is the deal between Jungle Beat in Zambia and a buyer in South Africa for a supply of groundnuts over a 12-month period, with embedded trade finance being provided by the buyer. Such a deal is a test case for buyer-driven and -financed export from the region into South Africa. Subsequent support will take the form of technical assistance to meet product certification requirements, access working capital, and negotiate deals on prices and payment terms. The Hub will undertake these trade promotion activities in partnership with TIPAs and BMOs that are well positioned to provide the support required by exporters. The Hub will sign deal notes/memoranda of understanding with TIPAs and BMOs that will outline the technical support that the Hub will provide to the TPSP in order to transfer trade promotion skills and tools from the Hub to these market actors.

Activity 1.2: Leverage existing partnerships with TIPAs and BMOs to consolidate understanding of the end-market demand in South Africa for targeted sectors

Support of regional exports to South Africa has not been Hub's explicit focus in the previous three years. Therefore, in order to build new pipeline of potential deals in targeted sectors, starting in Q1 the Hub will partner with identified BMOs and TIPAs to quantify and qualify the demand and market requirements for specific products in the shortlisted sectors, based on the team's prior analysis of market demand opportunities in South Africa. The Hub will partner with South African BMOs (such as Animal Feed Manufacturers Association, Agribusiness Chamber, and Business Unity South Africa) and issue a call for applications for South African buyers to indicate the products they are seeking to source from the region, including product specifications and their market-entry requirements. This will result in identification of specific buyers and product-level market requirements. The Hub will then partner with BMOs and TIPAs in the region (e.g., Zambia Grain Traders Association, TIKZN,

WESGRO, ZDA, BITC) to identify potential suppliers to build a new pipeline of potential deals in targeted sectors.

Activity 1.3: Screen companies and conduct due diligence and capacity assessments of potential exporters in collaboration with BMOs and TIPAs

The Hub has been active in the recruitment, due diligence, and capacity development of exporters, from formalizing business linkages to providing post-deal care. To entrench sustainability of trade promotion support to exporters, the Hub will conduct due diligence and capacity assessment of all new exporters in the pipeline alongside BMOs and TPSPs in each country, to build the BMOs' and TPSPs' capacity in conducting due diligence and promoting international trade practices. The TPSPs will be supported by Hub staff and STTA to build their trade promotion capacity through learning by doing such as recruiting and screening exporters, linking them to buyers, and providing post-deal support. Based on the Hub work with these TPSPs to date and the regional market assessment of TPSPs conducted across seven Southern African countries in the last quarter of Year 3, we have learned that TPSP capacity needs include skills in building a pipeline of exporters, developing buyer supplier development strategies, developing cost-effective tools for exporter assessment, and building a network of trusted service providers to service the needs of exporters.

Activity 1.4: Link targeted exporters to sources of trade-enhancing services to overcome export barriers

Based on the regional market assessment of TPSPs, in Q1 the Hub will directly contract the most capable and trusted TPSPs to support exporters and link them to buyers. The TPSPs will sign performance-based contracts with the Hub to offer exporters a range of trade-enhancing services, such as certification, deal brokering, and post-deal care, to be paid for results based on achieving specific milestones. The Hub will work with the TPSPs to build their capacity and refine their business models to promote regional and international trade. The Hub will provide grant support to TPSPs to enable them to recruit, develop, and support exporters, for example in acquiring the necessary product certification to export. This support will be cost-shared by exporters as specified in the Hub firm selection criteria. As a way of monitoring performance, each TPSP will be required to sign deal notes with the shortlisted export firms and their respective buyers and to report on the export transactions to the Hub as part of their contract.

Activity 1.5: Support TPSPs to facilitate inward buyer missions from South Africa and regional trade events

In Q2, the Hub will support TPSPs to conduct South African buyer missions to source countries to discuss and negotiate with potential suppliers their specific product requirements and quality parameters. The buyer missions will be facilitated by the TPSPs with Hub support to ensure that as many buyers as possible meet potential suppliers and close export deals. The BMOs and TIPAs in source countries will be central to organizing their member companies to ensure that as many of those that qualify for export participate in responding to the identified pockets of product demand. Between Q2 and Q4, the Hub will support TPSPs to help their targeted companies prepare for and attend trade promotion events, with a particular focus on events in South Africa such as NAMPO and Source Africa. The exporters will be

Learning Agenda for Increasing Exports

- What is the most effective buyer-driven model for engaging with regional exporters?
- What is the appropriate role of the Department of Trade and Industry (DTI) to complement the roles of market actors in promoting exports from the region to South Africa in the context of regional integration?
- What is the appropriate balance between firm-level support to generate a demonstration effect of good practice in regional trade and industry-level support for systemic change and suitability effects?
- Is the TIPA and BMO model working for buyers and sellers?
- Given the industrial concentration on the buyer side, what is the right balance of large exporters and small exporters to respond to the market demand while demonstrating Hub additionality in its interventions?

expected to pay for their attendance at these trade events and a cost-share arrangement will only kick in when a firm has reported concluded deals. This co-payment arrangement should incentivize firms that are confident in concluding deals to attend the trade events. The Hub will train the selected TPSPs on trade event relationships; development of a value proposition; exporter support before, during, and after the trade event; data collection that is important for their businesses; establishment of relationships with other service providers, etc.

Activity 1.6: Facilitate peer learning and sharing of best practices for TIPAs and BMOs in the region

To build capacity of TPSPs, throughout the year, the Hub will partner with the TPSPs to reflect on emerging good practices in promoting trade from regional countries to South Africa. The Hub will hold quarterly check-in meetings with TPSPs and buyers to reflect on lessons learnt, share good practices emerging, and resolve challenges. For instance, a quarterly review can be targeted on lessons at the sectoral level about how to energize regional value chains. A case in point is the soya bean and animal feed industry. The poultry industry depends on the pricing and supply of the main feed components—maize and soya. Soya bean production from the region, particularly Zambia, is a key input to South Africa when the transport costs are cheaper than those of deep-sea imports. When back haulage transport is available at \$45 to \$50 a ton, Zambia can supply soya beans at less cost than deep-sea imports from Argentina. A value chain-based learning agenda will be developed to promote cross country collaboration to promote value chain efficiencies that have wider industrial benefits to several market actors across various countries.

EXPECTED OBJECTIVE 1 OUTPUTS

Activities	Expected Outputs for Year 4
Activity 1.1: In coordination with TIPAs and BMOs, facilitate trade deals between targeted exporters and identified buyers	Output 1.1a: 100 exporters introduced to buyers with the necessary follow-on support that resulted in a transaction Output 1.1b: 50 export deals facilitated
Activity 1.2: Leverage existing partnerships with TIPAs and BMOs to consolidate understanding of the end-market demand in South Africa for targeted sectors	Output 1.2: Specific product/sector demand quantified and qualified at the firm level to inform exporter response activities (buyer reports)
Activity 1.3: Screen companies and conduct due diligence and capacity assessments of potential exporters in collaboration with BMOs and TIPAs	Output 1.3a: 100 companies undergo capacity assessments and follow-on support is prioritized Output 1.3b: A list of viable Gazelle, Impala, and Bushbuck companies assembled and supported to export required products to South Africa
Activity 1.4: Link targeted exporters to sources of trade-enhancing services to overcome export barriers	Output 1.4: At least 50 exporters access the required trade-enhancing services to enable them to conclude their export deals
Activity 1.5: Support TPSPs to facilitate inward buyer missions from South Africa and regional trade events	Output 1.5: 14 buyer missions conducted in partnership with TPSPs and BMOs in targeted countries
Activity 1.6: Facilitate peer learning and sharing of best practices for TIPAs and BMOs in the region	Output 1.6: At least three peer learning events completed covering the key learning questions in support of exports

OBJECTIVE 2: INCREASED INVESTMENT OUT OF SOUTH AFRICA TO THE REGION

PROGRESS TO DATE AND LESSONS LEARNED

Over the past three years, the Hub has facilitated new finance and investment into the region to catalyze trade across selected high-impact sectors, including financial services, warehousing, and agriculture and non-agriculture commodities. From Year 4 the Hub will transition to a more sustainable approach. We have learned that the main area that still must be addressed is developing a sustainable method for assisting export-ready and financially bankable firms that are attempting to access finance and assisting the capital providers in meeting the financing needs of Impala and Bushbuck export firms. Therefore, we see the need to engage more market systems players, including FSPs, to accelerate results and generate market systems-level impact. In Year 4, our focus will be on promoting capital flows from South Africa into the region through a range of interventions, including facilitating direct equity and debt finance and enabling market actors in South Africa to effectively reach markets in the region.

We have learned that export companies have different characteristics depending on where they operate in the value chain (e.g., producer, aggregator, processor), how long they have been in business, how formalized their systems and management practices are, and what their financing needs are (expansion capital, working capital). Hub-supported exporters in the region have different requirements for financial products and services⁹ and no singular financial solution can meet these different needs. In the past three years, approximately half of the deals that were facilitated were pure equity. The other half of the deals involved a combination of debt, mezzanine finance, and equity.

CURRENT SITUATION

During the first three years, the Hub has built relationships with a wide range of investors and financial service providers that are South Africa-based and interested in expanding into the region. Table 8 below maps the landscape and provides examples of South Africa-based investors, FSPs, and other market actors, both regional and South African, with which the Hub has established relationships—including development finance institutions, private equity funds, banks, trade finance companies, trade finance funds, microfinance institutions, and intermediaries. In Year 4, the Hub will leverage its relationships with these investors to increase investment from South Africa into the region.

⁹ **Start-up capital** is typically required to develop business ideas/models or prototypes of a product/service. It is usually accessed through family and friends, own funds, accelerators, venture capital funds, angel investors, or donors. **Expansion capital** is used to grow capacity or develop scale and is typically accessed through donors, equity funds, banks (long-term debt), development finance institutions, and impact investors. **Working capital** is divided into general and specific working capital, where **general working capital** is short- to medium-term finance for ongoing operational expenses and cash flow management often accessed through banks and microfinance institutions. **Trade deal-specific working capital** is short-term finance for a specific order or invoice that uses the traded commodity as collateral and is provided by trade finance companies/funds and banks.

TABLE 8: HUB PARTNERS BASED IN SOUTH AFRICA (REGIONAL AND SOUTH AFRICAN)¹⁰

Geographic focus of capital provider →	From South Africa to Region	Within South Africa
Development finance institutions	   	  
Private equity funds/asset Managers/value chain firms	  	
Banks	   	
Trade finance companies		  
Trade finance funds	 	
Microfinance institutions		
Advisory service providers/intermediaries	   	

¹⁰ The intention of Objective 2: Increased investments out of South Africa to the region, is to enhance capital and technology flows from South Africa to the rest of the region and hence the presentation of South African and South African-based financial service providers only.

In addition, the Hub has developed a database of 170 trade finance providers operating in or interested in operating in the region and a database of more than 100 asset management firms and private equity funds. The Hub will continue to update and maintain the database of investors and other short-term finance providers as they are identified in the coming year, with a focus on those in South Africa.

Despite the existing investor interest and available sources of finance demonstrated by the Hub, Impala and Bushbuck exporters experience the following constraints in accessing debt finance and equity investment from these providers:

- Inability to access trade finance due to extensive turnaround times for accessing finance, which is misaligned with the trade deal timelines; onerous requirements in terms of documentation and collateral, which do not remain consistent over the period of the application process (“moving goal posts”); collateral requirements of up to 200 percent of the value of the trade deal in the form of fixed property and sureties; the very high cost of capital (notably in the region given the high interest rate environment); and lack of financing solutions for start-up businesses. Exporters also lack information about relevant sources of potential funding.
- A focus by banks and specialized trade companies on providing debt or off-balance-sheet products to customers in their local markets. Trade finance companies primarily focus on domestic trade finance. Regional banks will finance regional businesses through their local affiliates unless the deal is especially large.
- Equity finance deals below \$2–\$3 million are difficult to achieve because of the transaction costs associated with the required due diligence process.
- Finance provider business models are not meeting the needs of the exporters and lack understanding of exporter business models and an entrepreneurial approach.







APPROACH TO ACHIEVING THE OBJECTIVE

In Year 4, the Hub will use a dual approach to achieve the objective of increased investment by South African capital providers into the region. First, starting in Q1, the Hub will directly link and facilitate access to finance for businesses in Hub priority sectors where immediate opportunities are identified, the capital seeker has adequate capacity, and clear financing solutions exist. These linkages will be supported by transaction advisors where needed.

Second, because many businesses will be inhibited by some of the constraints mentioned above, the Hub will in parallel support existing FSPs (South African capital providers) to enhance their business models and introduce new products to more effectively meet the needs of businesses in Hub priority sectors in the region.

The Hub will focus first on actors and financing needs that directly enable export to South Africa. These areas are shown in white in Table 9 below, plotted against exporter needs (i.e., expansion capital for aggregators, processors, and distributors; general working capital for aggregators and processors; and trade-specific finance for aggregators, processors, and distributors). Second, the Hub will facilitate financing and investment from South Africa not tied directly to trade deals returning to South Africa. These investments will support the development and sustained growth of a targeted sector that may result in increased trade in the long term and could include investments that enable technology transfer.

TABLE 9: EXPORTER FINANCING NEEDS AND HUB INTERVENTIONS

Value chain actor →						
Type of financing required ↓	Input supplier	Producer	Aggregator	Processor	Distributor	Retailer
Start-up capital	Not a specific Hub focus unless the intervention is supporting the transfer of technology from South Africa into the region, e.g., an equity deal in Malawi for a laboratory, or a fresh produce market adopting technology and absorbing capital from South Africa in Zambia.					
Expansion capital	Seedling nursery	Increase production capacity	Increase transport capacity	Increase processing capacity	Increase transport capacity	New retail stores
Working capital – general	Financing inputs for production of fertilizer	Buying inputs prior to planting	Purchase agricultural outputs at harvest	Purchase raw products for processing	Pay operating expenses	Purchase stock
Working capital–trade-deal specific	Not applicable	Bridging finance	Bridging finance	Bridging finance	Bridging finance	Not applicable

In Year 4, the Hub will work with four capital provider partners (a combination of debt and equity) to allow for testing of and learning from different models and products. For example, facilitating investor road shows in the region; replicating the development of an application for linking capital providers from South Africa with capital seekers in the region (learning from existing similar platforms in other subsectors) as well as working with three selected transaction advisors to bridge the gaps between capital seekers and capital providers. The Hub will select capital provider partners from its two market mapping exercises conducted in FY2019. The first market mapping exercise covered equity providers and the second covered debt finance providers. Capital providers will be selected on the basis of the criteria laid out in the textbox at Activity 2.3. The Hub will remain open to exploring partnership opportunities with other market actors. The primary mechanisms for engagement with these partners will be technical assistance and provision of incentives to the market actors to overcome the hurdles of reaching new clients within the targeted sectors and geographies. During the trade finance mapping exercise, many capital providers highlighted the risks associated with agribusinesses and some specifically excluded agribusiness as a priority sector. Given the number of agricultural subsectors that are targeted by the Hub, this will be an important aspect to be addressed through the selection process and the technical assistance.

The Hub will engage FSPs and transaction advisors through flexible subcontract arrangements with payment based on results or deliverables that are aligned with the Hub outcomes and indicators. The Hub will deploy specialized STTA to work with FSPs to address the constraints in their business models. The short-term advisors will be selected and contracted by the FSP in a cost-sharing arrangement with the Hub. The Hub will review the terms of each agreement to ensure that it addresses the needs of the targeted export firms. This series of activities will be grounded in the lessons learned and investments already made in investment and trade finance and will seek to break new ground by testing innovative approaches to closing the financing gap.

The Hub will focus on two types of deals¹¹:

¹¹ The average debt will be in the \$150,000–\$250,000 range. The figure was obtained from the average transaction size per exporter and it is a function of the transaction size per firm of \$140,000–\$200,000. For equity, the focus will be on the \$1–\$3 million range because that is the market space that most equity capital providers are not covering. The regional market that the Hub is serving has more capital appetite from growing companies that seek to export to South Africa.

- Short-term debt finance deals linked to specific trade opportunities within the range of \$150,000 and \$250,000. Where appropriate and feasible, debt finance deals of up to \$1 million will be considered.
- Longer-term equity (or debt) linked to long-term working capital or expansion capital needs within the range of \$1–\$3 million. Due to high transaction costs, investors have found this ticket size challenging to service.

When significantly larger deals are identified within priority sectors for the Hub, these will be considered to enable capital flows from South Africa to the region—but these larger deals are not the primary focus given a clear strategic intention to incentivize the supply side of the market to address the needs of smaller, formal businesses that are currently excluded.

ONGOING ACTIVITIES TRANSITIONING TO YEAR 4

Table 10 shows examples of deals currently in the pipeline that the Hub will pursue in Year 4. The full list and description of all investment opportunities currently in the pipeline for each country is included in the respective **Country Implementation Plans** in Annex A.

TABLE 10: CURRENT DEALS IN THE HUB PIPELINE¹²

Capital Seeker	Financing Need	Status
Savenda Capital Group	Project finance to develop the infrastructure and operations of a fresh produce market in Lusaka. Require US\$15.5 million (phase 1) and US\$16 million (phase 2). The Hub will assist to raise a portion of the US\$15.5 million.	Non-disclosure agreement signed, information memorandum reviewed and feedback provided, deal note drafted, introduction to relevant capital providers underway.
Zdenakie	Zambian commodity trading company seeking capital to expand processing capacity.	Investment teaser prepared; potential capital provider identified.
COMACO	Zambian aggregator and processor that works with 179,000 smallholder farmers in soy, honey, maize, mushrooms, and wheat. Requires \$2–\$3 million to expand transport and processing capability and for working capital.	Potential capital provider identified.
Sunshine Nuts	Mozambican cashew nut processor with extensive distribution network in the United States. Only utilize 25% of available processing capacity due to working capital constraints. Require \$100,000–\$800,000 depending on growth and cash flow management.	Detailed business assessment complete including in-depth working capital assessment. Financial model developed. Investment teaser and term sheet to be developed by Sunshine Nuts.

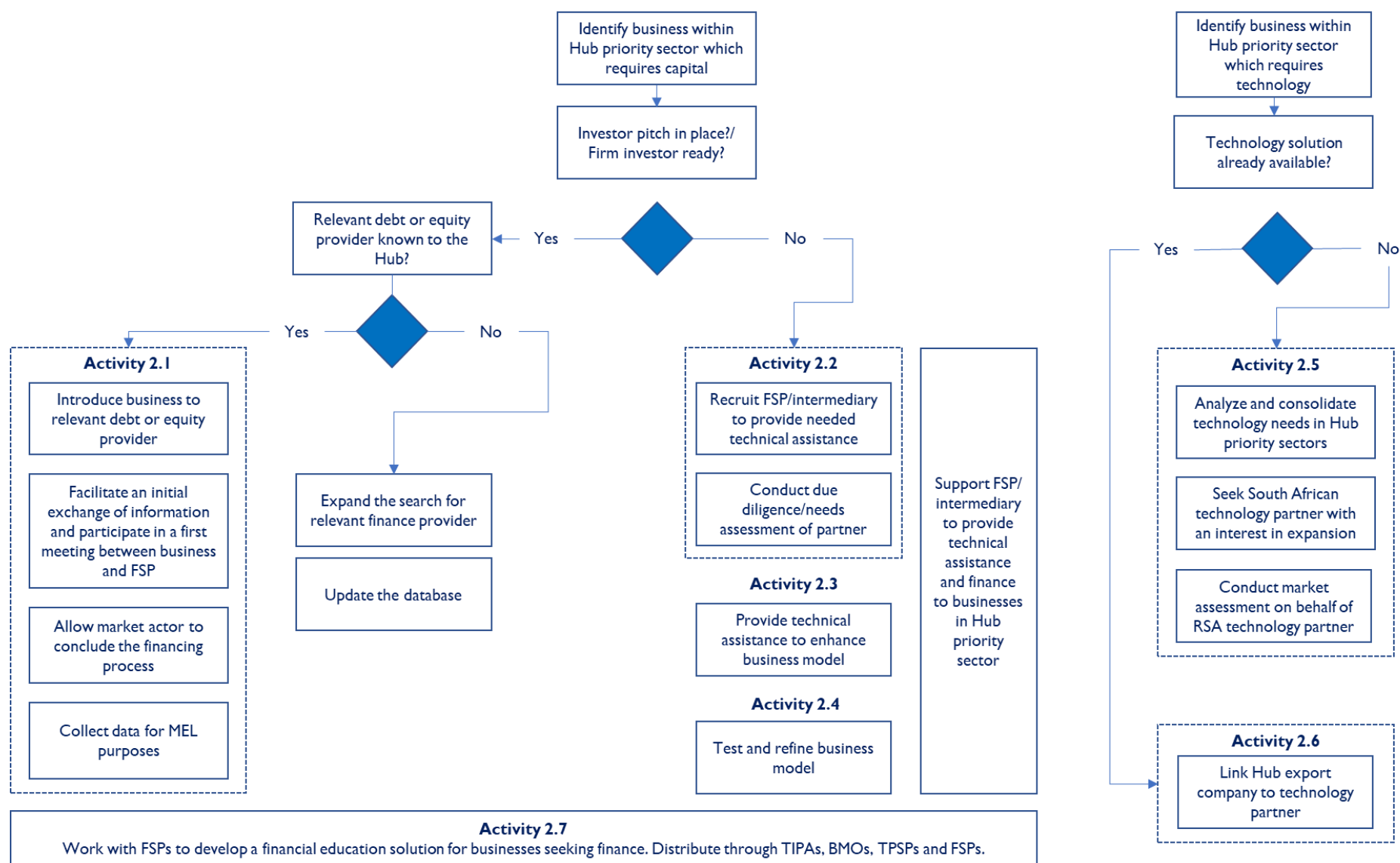
ACTIVITIES

Hub activities and its range of service offerings across all targeted South African countries are described below. The **Country Implementation Plans** in Annex A include detailed plans for achieving Hub results in each country, including investment pipelines and timeline of activities.

Hub activities are summarized in Figure 2 below. As illustrated, they are not all sequential but rather will depend on the identified need (finance or technology), the investor-readiness of the business, and the availability of a known source of supply (finance or technology).

¹² The pipeline of deals presented in Table 10 represent three types of investment deals. Type 1: Movement of capital and technology from South Africa to the region e.g. Savenda and Zdenakie. Type 2: Movement of capital from South Africa to the region resulting in exports to South Africa or the United States, e.g., COMACO and Sunshine Nuts. Type 3: Movement of capital from South Africa to the region not tied to trade deals returning to South Africa but with long-term prospects for intra-regional trade. To the extent possible, the Hub will prioritize working on Type 2 deals.

FIGURE 4: HUB ACTIVITES UNDER OBJECTIVE 2



As previously mentioned, the objective of the following activities is to increase investment by South African capital providers into the region. We expect to facilitate three types of investment deals: Type 1: Movement of capital and technology from South Africa to the region; Type 2: Movement of capital from South Africa to the region resulting in exports to South Africa or the United States. Type 3: Movement of capital from South Africa to the region not tied to trade deals returning to South Africa but with long-term prospects for intra-regional trade. To the extent possible, the Hub will prioritize working on Type 2 deals.

Activity 2.1: Facilitate access to finance and technology between targeted exporters and identified service providers

Starting in Q1, the Hub will link existing pipeline exporters—mainly those with a strong track record and higher levels of formality associated with the Gazelles segment—to sources of finance and technology. The Hub will obtain investment teasers/information memoranda/business plans from businesses seeking capital; identify suitable funders; introduce the business and finance provider; and participate in initial meetings to facilitate the relationship. This activity hence focuses on matching bankable/ investor-ready export companies from within the region with well-defined capital needs to relevant FSPs with which the Hub already has relationships, such as SebVest Capital Partners, FinFind, Barak Fund, FMO, African Development Bank, Spear Capital, and Exeo Capital or Sanari Capital. This activity will leverage the existing knowledge and investment gained by the Hub to date to benefit businesses in priority sectors and to kick-start the development of the pipeline.

It is anticipated that the Hub will work with a range of FSPs during the execution of this activity in an attempt to secure good matches between capital seekers and capital providers. The Hub will work with identified transaction advisors and/or STTA to support opportunity validation, market intelligence, fundraising support, due diligence, and financial analysis where gaps are identified. This assistance will be delivered on a cost-shared basis.

The linkage function is a crucial part of this activity given how challenging it is for export companies in the region to identify the most appropriate FSPs in South Africa. The Hub will also develop a database of the requirements from different funders and capture these for continuous learning and application by future export companies. Building on the work performed by CrossBoundary related to women-owned funds, the Hub will prioritize referrals and brokering of deals with these entities where there is good alignment with the finance deal. This activity will be conducted throughout the year as the Hub technical team identifies demands for finance from targeted export companies and other businesses in priority sectors.

Activity 2.2: Recruit targeted financial service providers/investors based on previous market mapping

Because the existing FSP business models may not be sufficient to respond to the financing needs of Impala and Bushbuck businesses in the region or businesses outside South Africa, starting in Q1, the Hub will also identify FSPs that have an interest in expanding their market outreach and enhancing their business models. The intention of enhancing identified business models is to enable a better market response to the short-term financing needs of companies in need of trade and supplier development products. The Hub will choose FSPs who have demonstrated a desire to work with the Hub's targeted exporters based on the discussions conducted during the trade finance mapping exercise, the co-creation workshops, and meetings conducted since the co-creation workshops. Specific **selection criteria for recruiting FSPs and transaction advisors** will be utilized as shown in the box on the following page. The FSPs would include both debt and equity providers to ensure a range of financial solutions in response to the needs identified. Examples may include Sebvest Capital Partners, Ovamba Solutions with Absa Bank, Barak Fund, Spear Capital, Exeo Capital, and Neu Capital Africa as well as existing Hub partners in the private equity and debt space.

The Hub will support these FSPs and transaction advisors to expand finance to export enterprises and other businesses in priority sectors that qualify for Hub support. This support could relate to expanding into new markets in the region; reaching less formalized businesses (Impalas and Bushbucks) if their experience is limited to Gazelles; developing capability to provide some education and coaching to businesses on accessing finance (non-financial support); or introducing them to aggregators in the market (e.g. BMOs, TIPAs) to reduce transactions costs.

Activity 2.3: Support financial service providers to enhance the models of debt and equity financing

For selected FSPs/intermediaries, the Hub will conduct due diligence and capacity assessment, with support from STTA, focusing on examining their business models in terms of reaching targeted export companies and businesses in priority sectors outside of South Africa. The Hub and selected partners will adopt a participatory process for identifying opportunities for improvement within the business model, such as lean credit approval/due diligence processes, different risk management methods, digital solutions or artificial intelligence, product enhancements, and platforms for linking capital seekers and capital providers. STTA resources will be deployed to provide technical assistance and support to enhance the debt and equity finance models within partner FSPs/intermediaries as per the identified opportunities. FSPs/intermediaries benefitting from this support and access to businesses requiring capital will be required to close an agreed number and value of finance deals (debt or equity). This activity therefore aims to address the constraints faced by South African FSPs in reaching targeted export companies and other businesses in priority sectors in other countries in the region, notably Impalas and Bushbucks. This activity will start in Q1 with capacity assessments; STTA resources will be contracted and begin work in Q2. All initial model enhancements should be designed and be ready for testing by the end of Q3. Where possible, elements of the testing will start sooner to allow for iterative learning.

Selection Criteria for FSP/Intermediary Partners

- Willingness to expand into the market segment that is best described as Impala and Bushbuck businesses and other markets in the region in exchange for access to the Hub export businesses and incentives for delivery of closed finance deals.
- Additionality that the partner can bring in terms of the number of finance deals it can close with support from the Hub and/or the sustainability of linking capital seekers with capital providers beyond the life of the project.
- Creative or innovative ideas put forward during the engagement and prior investment/testing already conducted.
- Relevance of experience in terms of responding to the finance needs of targeted export firms.
- Legal and regulatory compliance.
- Financial sustainability.
- Registered in South Africa.
- Mandate and strategy allows for, or will allow for, financing within the Hub targeted sectors, countries, and enterprise tiers.
- Willingness to partner with relevant FSPs to achieve objectives if needed.
- Interest in contributing to the educational development of targeted export firms.
- Rationale for involvement of the Hub in terms of accelerating progress or enabling access to trade finance that would otherwise not have been achieved.
- Women owned-/managed FSPs will be given an advantage.

Activity 2.4: Test and refine debt and equity finance models

Building on the work carried out in Activity 2.3, FSPs/intermediaries will test the enhanced business models (e.g., products, processes, systems) to determine whether they effectively address the constraints. This activity will include an iterative process of refinement based on continuous evaluation and learning from the pilot testing of the enhanced models. The Hub will focus on FSPs that already have suitable elements of a business model in place but that require some enhancements or adjustments to replicate the model in other countries in the region. Our work may include testing new business acquisition models, such as advertising for investees in specific sectors that meet certain requirements; linking FSPs to aggregators; or encouraging FSPs to conduct quarterly events to

educate prospective customers and, in the process, develop their pipeline. Testing will start in Q2 and run into Q3. Continuous, iterative learning will be essential in this activity. The STTA deployed in Activity 2.3 will support pilot-test monitoring and refinement. The full-time Hub staff will also play a role in hands-on monitoring to ensure that the targeted export companies remain the focus of the intervention and that the lessons learned from the pilot process are captured to inform potential replication in other FSPs/intermediary organizations or in the development of best practices. FSPs/intermediaries will receive performance-based incentives for the value and number of finance deals closed with target export firms.

Activity 2.5: Analyze market for potential technology and services transfer opportunities

Drawing on the due diligence and capacity assessments of targeted export firms conducted in Activity 1.3 under Objective 1, the Hub will analyze and consolidate the data gathered to identify technology and service needs such as product testing, cold storage, and packaging across the different target countries. Once the needs are identified, technology and service solutions that could be introduced in response to these will be sought by the Hub in the South African market. For example, the Malawian market may have inadequate laboratory services and equipment needed for product certification testing. A South African laboratory with an interest in expanding into the region would be recruited by the Hub and linked with a local laboratory in Malawi. To facilitate and enable this, it is anticipated that the South African laboratory would only make this investment if Malawi presents a viable and attractive market opportunity. This activity hence focuses on assisting South African firms to transfer relevant technology into the region by providing the prospective technology and service providers with an objective market assessment that demonstrates the advantages of expansion into Hub target countries. Specialized STTA resources will be deployed to conduct the market assessment(s) related to the adoption of the new technology and services. This activity will enable an increase in the availability and adoption of needed technology and service solutions in the region. The assessment will also include defining the financing requirements to make the technology and service transfer feasible. An initial analysis and consolidation of technology and service needs will be conducted in Q1, with ongoing updates considered as new targeted export firms undergo capacity assessments and due diligence. Once the technology needs of the companies in target countries have been identified, the transaction advisors will structure technology transfer deals in Q2.

Activity 2.6: Link companies to technology providers to close innovation gaps

The intention under this activity is to build the capacity of exporters from targeted countries to adopt technologies from South Africa. The implementation of Activity 2.6 will link very closely with TPSP work under Objective 1. This activity builds off Activity 2.5 by linking target export companies, supported by the Hub, to the new technology providers in the region. This activity implies that specific needs identified during the capacity assessment of export companies will be addressed through the services of the technology providers and that by aggregating these firms, there is increased viability of the technology company investment. In effect, the Hub will help create demand that will lead to technology adoption by sensitizing targeted export firms to the availability and value of the available technology. This activity will be achieved through ongoing relationship

Learning Agenda for Increasing Investment

- What incentives will be effective in catalyzing South African capital providers to enter new markets in the region?
- What incentives will be effective in supporting capital providers to move toward smaller, less formalized businesses?
- Which markets in the region provide investors with attractive investment opportunities based on results?
- Do examples of first-time investment in new markets lead to an effective demonstration effect and future investment?
- What FSP business models are effective, and how, in reaching lower deal sizes in emerging markets?

management and engagement with the targeted export firms and the technology service providers. Closing these innovation gaps will enable target export companies to meet South African market-entry requirements, enhance their competitiveness, or take advantage of a trade opportunity that would otherwise not be feasible. This activity will take place in Q2–Q4.

Activity 2.7: Work with financial service providers to generate financial education products for businesses

The trade finance mapping study demonstrated a dearth of financial literacy and formalized business and financial systems among export businesses seeking finance. It is evident that export firms do not know which capital providers to approach to meet their financing needs. This is partly due to the firms' lack of knowledge about the different providers, the available financing instruments, the advantages and disadvantages of these options, when it makes most sense to use different financing instruments, and how to apply for finance from different capital providers. Target export companies seldom have all of the needed documentation and other requirements at hand when approaching capital providers, exacerbating delays in the turnaround times for accessing needed finance.

This activity aims to consolidate information on different finance options available to businesses and preparation for the capital raising process. Ultimately, the targeted export companies will be empowered to make more informed choices about which kind of finance options to apply for and utilize. To create additionality, this content will not be provided in a classroom but rather using an interactive video format that can be widely disseminated to export businesses via TIPAs, BMOs, FSPs, and other bodies. The content will be developed in partnership with FSP and intermediary partners and Hub-supported businesses to ensure that it addresses the identified needs. It will include basic definitions of different financing instruments, when to use which instruments, practical tips and insights from FSPs on what to do when applying for finance, examples of documents and forms required, pop quizzes to test knowledge and skills, and other tools to encourage absorption of the content.

The Hub will engage a suitable service provider with experience in developing interactive educational content across different cultural groups to develop the learning solution. The content will be developed by the Hub in collaboration with its existing network in the trade finance ecosystem and will draw on lessons learned during the other activities described herein.

This activity will empower targeted export companies to develop their financial acumen and their ability to make decisions that are in the best interests of their businesses with respect to raising capital through appropriate sources in the required timelines. Ultimately, these enterprises will be more attractive borrowers or investees. The creation of the educational video will also be a mechanism for consolidating the lessons learned in closing the gap between the demand and supply of financial services. This activity will start in Q3 with procuring a relevant service provider and will be complete in Q4.

EXPECTED OBJECTIVE 2 OUTPUTS

Activities	Expected Outputs for Year 4
Activity 2.1: Facilitate access to finance and technology between targeted exporters and identified service providers	Output 2.1a: 54 companies linked to financial service providers Output 2.1b: 37 finance deals closed Output 2.1c: \$20 million in finance deals closed
Activity 2.2: Recruit targeted financial service providers/investors based on previous market mapping	Output 2.2: Four FSPs recruited for further engagement ¹³

¹³ The output serves as a milestone indicator for the purposes of the Hub tracking progress toward the intended outcome

Activities	Expected Outputs for Year 4
Activity 2.3: Support financial service providers to enhance the models of debt and equity financing	Output 2.3: Four enhanced business models supported
Activity 2.4: Implement and refine debt and equity finance models ¹⁴	Output 2.4: Four enhanced business models tested
Activity 2.5: Identify exporters technology requirements from South Africa	Output 2.5a: One report on technology needs for countries in the region Output 2.5b: : Seven market assessments to inform and catalyze technology transfer in the region
Activity 2.6: Link companies to technology providers to close innovation gaps	Output 2.6: 30 companies gaining access to new technologies
Activity 2.7: Work with financial service providers to generate financial education products for businesses	Output 2.7a: One financial education solution developed and disseminated Output 2.7b: Educational solution disseminated through at least five organizations in each country (with a priority on relevant BMOs).

¹⁴ Over the past three years, the Hub has been implementing one investment facilitation model based on a 100% subsidy to a transaction advisor. The model did not explore options for serving the targeted companies in the region meant to export to South Africa on a sustainable basis.

OBJECTIVE 3: SUSTAINABLE AGOA UTILIZATION BY THE SOUTHERN AFRICAN COUNTRIES

PROGRESS TO DATE AND LESSONS LEARNED

The African Growth and Opportunity Act has been the cornerstone of U.S. economic policy and commercial engagement with Sub-Saharan Africa since 2000. Between 2015 and 2017 alone, total two-way trade between the United States and Sub-Saharan Africa rose by about 5.8 percent to \$39 billion. More importantly for the region, South Africa is the second largest AGOA beneficiary by value, and the most diversified of all. The country's exports to the United States have tripled since 2001 and account for 68 percent of non-oil AGOA exports to the United States.

Among the Hub's interventions to date are the much-needed AGOA awareness workshops to create awareness of the existence of the program and its benefits. AGOA utilization generally has been particularly successful in countries with explicit AGOA Response/Utilization Strategies and Action Plans. During the past three years, the Hub has assisted in the development of National AGOA Utilization Strategies for Botswana, Lesotho, Malawi, and Zambia, and the Hub is currently supporting the development of AGOA Strategies for Eswatini and Namibia. While the development of the National AGOA Strategy for Mozambique was done by USAID's Supporting the Policy Environment for Economic Development project (SPEED+), the Hub was involved with the official launch of the strategy. Of the Hub focus countries, South Africa and Lesotho are the strong performers under AGOA in the region. South Africa has the most diversified exports to the United States under AGOA, while Lesotho is the largest exporter of textile and apparel from the region and second largest in Sub-Saharan Africa after Kenya.

The Hub has helped countries implement their AGOA Utilization Strategies as a natural follow-on to supporting the development of the strategies themselves. In response to recommendations from the AGOA Utilization Strategies, the Hub has partnered with several U.S.-based entities to improve regional firms' abilities to export. These partners included Registrar Corp, a U.S.-based leading provider of U.S. Food and Drug Administration (FDA) compliance assistance, to organize several workshops on U.S. market-entry requirements and FDA regulations throughout the region; ECOCERT Southern Africa to address the need for organic certification, a growing trend in the United States; and Worldwide Responsible Accredited Production (WRAP) to host awareness-raising workshops aimed at improving social compliance in the textile and apparel sector. For long-term contributions, the Hub has collaborated with the host countries' TIPAs and helped firms understand the grades and standard requirements of the U.S. market. The Hub has been working with export-ready firms in the focus countries to expose them to U.S. buyers and buyer specifications, including through participation in trade shows focused on the specialty foods and apparel sectors. In addition, the Hub organized U.S. buyer trade missions to the region to complement trade show efforts to enable buyers to visit and assess targeted suppliers from the Hub focus value chains in the region.

As a result, 16 specialty food companies from five Southern Africa countries exhibited at the 64th Summer Fancy Food Show in 2018 in New York, and 25 specialty food firms, including 10 women-owned businesses, from seven southern African countries (Botswana, Eswatini, Malawi, Mozambique, Namibia, South Africa, and Zambia) participated in the 65th Summer Fancy Food Show in 2019. This year, the Hub supported six specialty food ingredients companies from South Africa and Zambia to exhibit at the Institute of Food Technologists in New Orleans, Louisiana. With Hub support pre- and post- trade shows, participation in trade shows resulted in a total of \$8.04 million in exports to the United States and a future pipeline of \$9.2 million, as shown in Table 11.

TABLE 11: AGOA EXPORTS TO DATE AND PIPELINE

Company	Country	Product	Exports to Date (2017–2019)	Pipeline USA (3–12 months)
Black Mamba Foods	Eswatini	Sauces	\$31,453	\$12,000
Ukwazi Makadamia	Eswatini	Dried fruits and nuts	\$1,745,002	
Infanta Foods	Eswatini	Melktart mix	\$6,791	
ECO-MICAIA	Mozambique	Organic baobab powder	\$124,000	\$210,000
Akrafo (YSWARA)	South Africa	Tea	\$22,603	
Angel Footwear	South Africa	Shoes	\$211,387	
Bakali	South Africa	Rice snack/sesame chips	\$7,977	\$120,000
Berfin Worldwide (Pty) Ltd	South Africa	Various	\$910,000	
Cape Cookies	South Africa	Cookies	\$23,032	
Cape Herb and Spices (Berfin Worldwide)	South Africa	Spices	\$50,000	\$5,600,000
Cape Hothouse Vegetables	South Africa	Sauces	\$21,688	
Empire State Trading	South Africa	Nuts and dried fruits	\$2,841,678	\$2,200,000
Fynbos Fine Foods	South Africa	Sauces	\$157,870	
JAB Dried Fruit Products	South Africa	Macadamia nuts, dried mangoes, persimmon rings	\$743,910	
Jambo Trading	South Africa	Macadamia nuts	\$400,000	
Khoisan Gourmet (Pty) Ltd	South Africa	Rooibos tea	\$209,400	
Oryx Desert Salt	South Africa	Salt	\$10,404	
Rio Largo Olive Estate	South Africa	Olive oil	\$64,596	
Taste Africa Foods	South Africa	Dried mango and mixed groceries	\$250,000	\$700,000
Wilderbram	South Africa	Chutney mixed	\$9,740	
Zaamroot LLC	Zambia	Moringa leaf powder	\$165,000	\$450,000
Zambezi Grace	Zambia	Shoes	\$35,231	
Totals			\$8,041,763	\$9,292,000

CURRENT SITUATION

Although five of the eight Hub focus countries have developed AGOA strategies, the AGOA opportunities largely remain underutilized and the role of national AGOA Reference Groups/Steering Committees in helping to increase utilization of the program also remain limited. The constraints that contribute to the limited utilization of the AGOA incentives by intended beneficiaries include:

- Lack of support and commitment from the national AGOA Reference Committee and Government.
- General inadequate awareness of the AGOA scheme and its benefits, particularly to the non-textile and apparel sectors.
- Limited market intelligence on the U.S. market.
- Inability to meet U.S. market requirements and FDA regulations.
- Weak coordination and suboptimal participation at the annual AGOA Forum by both private and public sector representatives.
- Insufficient funding and limited access to investment.
- Inadequate productivity and production capacity.

- Distance to market and cost of transportation of goods.
- High cost of compliance with U.S. regulations and standards.
- Overly long turnaround time on developing the AGOA strategy due to delays by the host government.
- Changes in leadership at responsible ministries or government departments, which adversely affect implementation.
- Lack of political will to implement recommendations.

Another constraint is the relative competitiveness of the region in the U.S. market against competitors like Europe and China, which also have strategies aimed at attracting products from the region (e.g., the European Union through its Economic Partnership Agreements and Everything but Arms program). At a structural level, there is generally limited government support for AGOA initiatives because of limited financial resources. Even with the best intentions, the national Reference Groups/Steering Committees remain under-resourced and therefore limit the scalability of the AGOA intended program activities and ultimately lead to inhibited utilization of AGOA opportunities.

Because only six years remain before the expiry of AGOA, it is crucial for the beneficiary countries to focus on maximizing the utilization of the remaining period of the program. AGOA beneficiaries must establish networks and trade relationships that they can continue to benefit from after 2025, without the AGOA benefits if that scheme is discontinued. With this recognition, the Hub will engage and build the capacity of selected TPSPs to work with targeted stakeholders. Transferring the Hub's work to market actors while reducing direct delivery by the Hub will ensure implementation and sustainable utilization of the AGOA program by the targeted beneficiaries now and beyond the life of the Hub. TIPAs such as Wesgro, TIKZN, and ECDC have indicated their intention to include certain trade shows for government support as national pavilions for their 2020/2021 financial year.

APPROACH TO ACHIEVING THE OBJECTIVE

Given the different levels of utilization of the AGOA facility among Southern African countries, the Hub support going forward will take two approaches: 1) providing direct delivery of assistance; and 2) engaging and capacitating existing TPSPs, including TIPAs, BMOs, and private business service providers, to take over Hub activities aimed at increasing utilization of AGOA opportunities. This two-pronged strategy will ensure that companies will continue to have the opportunity to utilize AGOA after the Hub ends. In addition, the TPSPs capacitated by the Hub will be able to continue to work with companies from the region both during the remaining period of the AGOA program and post-AGO.

Over the next year, the Hub will build the capacity of TPSPs to support national AGOA Reference Groups/Steering Committees to better meet the needs of the private sector and government stakeholders to coordinate to implement AGOA strategies. The Hub will work to strengthen TPSPs to implement market-entry support services for companies exporting to the United States under AGOA and to organize buyer missions from the United States to targeted countries in the region.

Building the capacity of country AGOA Reference Groups/Steering Committees will give partner governments greater ownership of AGOA strategy development and implementation and ensure partner governments' ownership of AGOA development policies and strategies and the activities they undertake to realize their export goals. It is expected that this approach will lead to increased coherence among national policies, sector policies, resource allocation, and spending practices.

ONGOING ACTIVITIES TRANSITIONING TO YEAR 4

The Hub will finalize the development of the national AGOA Utilization Strategies for Eswatini and Namibia and support their formal launch and will partner on awareness-raising with agencies assigned to lead the implementation of AGOA strategies for the Hub focus countries. The Hub will continue to directly support efforts that create awareness of market-entry requirements, regional and international export linkages, buyer missions, and participation of companies at trade events, while transferring to engaged TPSPs the Hub's tools, systems, and knowledge to ensure sustainability of Hub activities after the life of the project. The status of AGOA implementation for each partner country is summarized in Table 12.

TABLE 12: AGOA UTILIZATION STRATEGY DEVELOPMENT AND IMPLEMENTATION

Country	AGOA Strategy Development	AGOA Strategy Implementation
Botswana	Developed in 2016 and launched in September 2017; Strategy is now due for biennial review	The Ministry of Investment, Trade, and Industry appointed the BITC as a lead implementer of the Strategy, reporting to the AGOA Reference Group and AGOA Steering Committee. BITC has selected meat and meat products (beef), natural indigenous products, and handicrafts as the three potential sectors from the seven sectors in the AGOA Response Strategy. The country has made marked progress on implementation of recommendations from the AGOA Response Strategy, although this has not yet resulted in exports to the United States under AGOA. As part of the implementation of the AGOA Response Strategy for Botswana, the Hub supported the printing of the final AGOA Strategy and conducted workshops on AGOA awareness, FDA market-entry requirements and regulations for the food sector, market-entry requirements for handicrafts, and organic certification awareness. The Hub supported Maungo Craft to participate in the Summer Fancy Food Show in 2018 and 2019. In addition to supporting a beef study, the Hub is supporting the development of guidelines on Farm Assured Beef for Botswana.
Eswatini	Inception Report approved, now in initial draft stage	The Hub will assist with implementation after finalization of the Strategy.
Lesotho	Complete, ready for launch	The Hub supported awareness of U.S. market-entry requirements and regulations through workshops on FDA awareness for the food sector, U.S. market-entry requirements for handicrafts, and awareness of WRAP accreditation, as well as through a buyer mission for textile, apparel, and accessories.
Malawi	Launched	The Hub supported the printing of the final AGOA Strategy and conducted workshops on AGOA awareness in Blantyre, Lilongwe, and Mzuzu; FDA market-entry requirements and regulations for the food sector; market-entry requirements for handicrafts; and awareness of WRAP accreditation. Hub also supported a buyer mission for textiles and apparel and accessories.
Mozambique	Launched	The Hub supported the printing of the final AGOA Strategy and conducted stakeholder consultations to understand requirements of the AGOA priority sectors; held a workshop on FDA market-entry requirements and regulations; supported participation of Sunshine Nut at the Summer Fancy Food Show in 2018 and 2019; and organized a buyer mission for Jambo Foods to access potential suppliers of macadamia and cashews nuts.
Namibia	Inception stage	The Hub will assist with implementation after finalization of the Strategy
Zambia	Launched	The Hub supported the printing of the final AGOA Strategy and conducted AGOA awareness workshops in Ndola, Livingstone, and Lusaka, in addition to participating in a workshop on standards for small and medium-sized enterprises (SMEs) in collaboration with ANSI, Standards Alliance, and Zambia Bureau of Standards. Due to

Country	AGOA Strategy Development	AGOA Strategy Implementation
		demand, the Hub organized two awareness workshops on FDA market-entry requirements and regulations for the food sector. In addition, the Hub supported the participation of Chakwankwa, Zamroot and Sunshine Nut at the Summer Fancy Food Show in 2018 and 2019.
South Africa	No AGOA Strategy	South Africa does not see the need for a national AGOA Utilization Strategy, having performed well under AGOA without it. However, they are interested in sector specific strategies for achieving greater scale and performance under AGOA.

ACTIVITIES

The Hub's Objective 3 activities across all targeted South African countries are described below. The **Country Implementation Plans** in Annex A include detailed plans for each country.

Activity 3.1: Support AGOA Strategy development and review

In supporting the development of any AGOA Strategy, the Hub will work with the host government, mostly through the ministry of trade, to provide advice on setting up the national AGOA Reference Group and Steering Committee; conduct stakeholder consultations to provide input into the development of the strategy, validated through a stakeholder workshop; and printing the Strategy document and funding the formal launch of the Strategy.

In Q1, the Hub will continue to work with stakeholders in Eswatini to finalize the development of the National AGOA Utilization Strategy and support its official launch. The priority sectors for Eswatini under AGOA include textile and apparel, sauces, arts and crafts, macadamia, sugar, and processed foods. Following a formal request for support from the Namibia Ministry of Industrialization, Trade, and SME Development, the Hub will commence support for the development of the National AGOA Utilization Strategy. In Namibia, potential priority sectors include meat and meat products, leather products, olive oil, grapes, and handicrafts.

In Q2, based on guidance from the DTI, the Hub is positioned to support the development of a national or sector-specific AGOA Utilization Strategies for South Africa. Based on the indicated demand from the U.S. market and the potential of the sectors, the Hub will explore the possibility of developing regional organic sector, olive oil sector, and workwear export strategies. The organic sector export strategy would cover most of the Hub focus countries; the olive oil sector strategy would cover South Africa and Namibia; and the workwear strategy would cover Botswana, Lesotho, Eswatini, Mozambique, and South Africa.

In addition, the Hub will provide STTA support the review of the National AGOA Response Strategy of Botswana in line with the U.S. Trade Representative recommendation to ensure that the Strategy is still relevant to Botswana's objectives.

Activity 3.2: Provide capacity building for AGOA national steering committees

Starting in Q1, the Hub team will build on its existing relationships with the respective countries to work with national Reference Groups/Steering Committees and BMOs to identify the AGOA priority issues and complementary partners. Previously support to these Committees included Hub's active involvement in the intervention; going forward, the Hub will seek to strengthen the ability of supply-side actors to deliver services through BMOs like the Zambia International Trade and Investment Centre, Africa Business Incentives, and SWIFT.

Activity 3.3: Engage existing TPSP partners via a competitive process to implement market-entry support services

Starting in Q1, based on our experience and relationships established with TIPAs and BMOs over the past three years, the Hub will engage suitable TPSPs to create awareness on market-entry requirements, regional and international export linkages, and buyer missions, and to work with targeted producers of AGOA-eligible, export-ready products to participate at targeted trade events. TPSPs will also support investments from South Africa into the region to assist firms looking to export. This support can be in the form of facilitating FDA certification to enable a firm to export technology, or expansion/upgrade of facilities, among others. Examples of TPSP partners include WESGRO, African Agricouncil, Zurcom International, Africa House, Florida Enterprise, DMG Events, International Trade Projects, Messe Frankfurt, and Business Consult Africa. Based on the success of and demand for the services among both the service providers and beneficiaries, in Q2 the Hub will consider increasing the number of partner service providers to ensure that more AGOA-eligible exporters are reached throughout the region.

Activity 3.4: Transfer existing tools, systems, and knowledge to strengthen TPSPs' business models

Based on previous Hub work and the experience of the East Africa Trade and Investment Hub project, in Q1 the Hub will build an AGOA toolkit of tools, systems, and knowledge to transfer to the engaged TPSPs to help strengthen their current business models. The existing Hub tools include a rapid assessment tool (export-readiness tool), trade show onboarding formalities (agreements, contracts), and guidelines on facilitating logistics of travelling to trade shows (visas/movement of sampling). The AGOA toolkit will also include guidelines on the process of trade show preparation, participation in trade shows, and post-show support; an *Export Training Manual*; AGOA 101 briefers; and more. The transfer of the Hub tools will involve training, workshops, and working side by side with TPSPs as they apply these tools.

Activity 3.5: Support TPSPs to organize buyer missions from the United States to targeted countries

Starting in Q2, the Hub will work with TPSPs partners to identify U.S. buyers interested in travelling to the region to meet with potential suppliers of Hub-supported, AGOA-eligible products. As part of this process, the Hub will introduce TPSPs to both buyers and suppliers with which the Hub has been working over the past three years. In 2017, the Hub successfully supported a handicrafts in-bound U.S. buyer mission to Eswatini in collaboration with SWIFT, resulting in exports of about \$1 million. In 2018, the Hub organized a visit by the U.S.-based Jambo Trading to meet cashew processors in Nampula, Mozambique, and macadamia nuts in Mpumalanga, South Africa. The mission resulted in exports of around \$400,000 from Golden Macadamias, a South African-based company owned by 95 farmer-shareholders and considered the biggest macadamia processor in the country. Jambo Trading is currently negotiating other orders for the current season.

Activity 3.6: Facilitate peer learning and sharing of best practices among TPSPs

In Q3, the Hub will compile and summarize AGOA country performance information in partnership with TPSPs and national AGOA Steering Committees and organize a regional workshop to reflect on how countries are performing against their AGOA Strategies and to share success stories and lessons learned from those that have advanced in implementing their AGOA Strategies. The regional workshop will involve countries collaborating to develop joint AGOA implementation strategies to encourage regional integration. For instance, Malawi and Zambia supply raw materials like nuts, dried fruits, and moringa to South African companies for processing and exporting to the United States under AGOA. Establishing cross-country collaboration can be another way that countries in the subregion can either enter the U.S. market or enhance their AGOA Strategy implementation by augmenting raw materials for scaling-up production or finished products to meet orders.

Activity 3.7: Support the AGOA regional learning event

In Q2, in preparation for participation at the 2020 AGOA Forum scheduled to take place in Washington, D.C., the Hub will invite the AGOA Reference Groups and Steering Committees (made up of both private and public sector representatives) of Hub focus countries to attend pre-AGOA Forum workshops at which they can learn from one another and produce a regional AGOA-related calendar of activities and priorities leading up to the 2020 AGOA forum in Q3/Q4. The outcome of this event will be a better-prepared group of representatives with the enhanced ability to advocate for the region's position on proposed expectations at the AGOA Forum.

EXPECTED OBJECTIVE 3 OUTPUTS

Activities	Expected Outputs for Year 4
Activity 3.1: Support AGOA Strategy development and review	Output 3.1a: Eswatini and Namibia National AGOA Strategies approved and launched Output 3.1b: Botswana National AGOA Strategy reviewed and approved Output 3.1c: Development of national or at a minimum 3 sector-specific AGOA Utilization Strategies for South Africa initiated Output 3.1d: Organic, olive oil, workwear sector strategies developed
Activity 3.2: Provide capacity building for AGOA National Steering Committees	Output 3.2: 7 AGOA national steering committees capacitated
Activity 3.3: Engage existing TPSP partners via a competitive process to implement market-entry support	Output 3.3: 8 TPSPs engaged in market-entry support
Activity 3.4: Transfer existing tools, systems, and knowledge to strengthen TPSP business models	Output 3.4a: AGOA toolkit developed Output 3.4b: 8 TPSPs strengthened Output 3.4c: 40 firms from the region attend U.S. trade events
Activity 3.5: Support TPSPs to organize buyer missions from the United States to targeted countries	Output 3.5: 5 buyer missions conducted
Activity 3.6: Facilitate peer learning and sharing of best practices among TPSPs	Output 3.6: 1 workshop to share best practices held
Activity 3.7: Support AGOA regional learning event	Output 3.7: 1 regional workshop organized

Figure 5 below shows the Hub activities and the outputs they contribute toward by the three objectives. Table 13 below shows the Hub indicators with targets for each indicator. The table also indicates the activities that contribute to the specific outputs.

FIGURE 5: SUMMARY OF HUB ACTIVITIES AND EXPECTED OUTPUTS



TABLE 13: HUB INDICATOR TABLE AND TARGETS

DO1: Increased sustainable economic growth in targeted areas					
Evaluation Subject	Timing	Key Research Questions	Performance Indicator	Baseline	Target
Development Objective Level					
Economic Growth in targeted areas	Throughout the RDCS ¹⁵	Changes in economic growth sustained	USD value of international exports or intra-regional trade		
Intermediate Result Level					
1.2. Increased trade with an emphasis on agriculture	Regional survey every year	Dimension of Agricultural trade	Percent change in the value of intra-regional Trade in targeted agricultural commodities	12%	15%

FY 2020 Indicator Table and Targets

	Indicators	Reporting Frequency	Related Objectives	FY2020 Targets				
				FY2020 Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Objective Indicators								
1	EG.3.2-23 Value of targeted agricultural commodities exported with USG assistance	Quarterly	Objective 1 Objective 3	\$14.8 million Region-SA: \$8.4 mil AGOA: \$6.4 mil	\$0.4 million Region-SA: \$0 AGOA: \$0.4 mil	\$2.9 million Region-SA: \$1.4 mil AGOA: \$1.5 mil	\$5.3 million Region-SA: \$3.3 mil AGOA: \$2 mil	\$6.2 million Region-SA: \$2 mil AGOA: \$4.2 mil
2	Value of targeted non-agricultural commodities exported with USG assistance [Custom]	Quarterly	Objective 1 Objective 3	\$3.7 million Region-SA: \$2.1 mil AGOA: \$1.6 mil	\$0.1 million Region-SA: \$0 AGOA: \$0.1mil	\$0.6 million Region-SA: \$0.1 mil AGOA: \$0.5 mil	\$1 million Region-SA: \$0.6 mil AGOA: \$0.4 mil	\$2 million Region-SA: \$1.2 mil AGOA: \$0.8 mil
3	Percent of firms/organizations with increased profitability or increased self-sufficiency [Custom]	Annual	Objective 1 Objective 2	25% of the 153 assisted firms report increased	Not applicable			25% of the 153 assisted firms report increased

¹⁵ USAID/ Southern Africa Regional Development Cooperation Strategy

	Indicators	Reporting Frequency	Related Objectives	FY2020 Targets				
				FY2020 Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Objective 3	profitability or self-sufficiency				profitability or self-sufficiency (38 firms)
Outcome Indicators								
4	CBLD-9 Percent of USG-assisted organizations with improved performance	Annually	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	70% of the 61 agricultural firms expected to apply report improved performance	Not applicable			70% of the 61 agricultural firms expected to apply report improved performance
5	Percent of USG-assisted non-agriculture organizations with improved performance [Custom]	Annually	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	70% of the 15 non-agricultural firms expected to apply report improved performance	Not applicable			70% of the 15 non-agricultural firms expected to apply report improved performance
6	EG.3.1-14 Value of new USG commitments and private sector investment leveraged by the USG to support food security and nutrition	Quarterly	Output: 2.1, 2.2, 2.3, 2.4, 2.6	\$11.2 million	\$0	\$1.5 mil	\$3.5 mil	\$6.2 mil
7	Value of new USG commitments and private sector investment leveraged by the USG to support economic growth in non-agricultural targeted sectors [Custom]	Quarterly	Output: 2.1, 2.2, 2.3, 2.4, 2.6	\$2.8 million	\$0	\$0.4 mil	\$0.8 mil	\$1.6 mil
8	EG.3.2-27 Value of agriculture-related financing accessed as a result of USG assistance	Quarterly	Output: 2.1, 2.2, 2.3, 2.4, 2.6	\$4.8 million	\$0	\$0.8 mil	\$1.5 mil	\$2.5 mil
9	Value of non-agriculture-related financing accessed as a result of USG assistance [Custom]	Quarterly	Output: 2.1, 2.2, 2.3, 2.4, 2.6	\$1.2 million	\$0	\$0.2 mil	\$0.3 mil	\$0.7 mil

	Indicators	Reporting Frequency	Related Objectives	FY2020 Targets				
				FY2020 Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
10	Number of agricultural firms that have applied improved organization-level technologies or management practices with USG assistance [Custom]	Quarterly	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	61 firms	0	20	20	21
11	Number of non-agricultural firms that have applied improved organization-level technologies or management practices with USG assistance [Custom]	Quarterly	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	15 firms	0	6	6	3
12	EG.3.2-24 Number of individuals in the agriculture system who have applied improved management practices or technologies with USG assistance	Annually	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	81 individuals	0	30	40	11
13	Number of individuals in the non-agriculture system who have applied improved management practices or technologies with USG assistance [Custom]	Annually	Output: 1.1, 1.3, 2.1, 2.3, 2.6, 2.7, 3.4, 3.5	20 individuals	0	8	8	4
14	Number and value of export deals facilitated [Custom]	Quarterly	Output: 1.1, 3.4	70 deals	5 2 deals: SA-region 3 deals: AGOA	30 20 deals: SA-region 10 deals: AGOA	30 23 deals: SA-region 7 deals: AGOA	5 5 deals: SA-region
15	Number and value of finance deals facilitated [Custom]	Quarterly	Output: 2.1	37 deals	3	24	10	0

	Indicators	Reporting Frequency	Related Objectives	FY2020 Targets				
				FY2020 Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
16	Number of firms receiving USG funded technical assistance [Custom]	Quarterly	Output: 1.1, 2.1, 3.4	153 firms	23	60	60	10
17	Number of individuals participating in USG assisted trade and investment related programs [Custom]	Quarterly	Output: 1.1, 2.1, 3.4	204 individuals	30	80	80	14

ZAMBIA BUY-IN

PROGRESS TO DATE AND LESSONS LEARNED

Beyond the three objectives outlined in the previous sections, the Hub is also implementing trade facilitation activities in Zambia. Hub activities under the Zambia buy-in support the Government of Zambia in meeting the requirements of the WTO-TFA and the memorandum of understanding with the U.S. Government to increase bilateral trade. The Hub's support centers on five main areas to improve trade and the investment environment: support the Government of Zambia's compliance with WTO-TFA; assist the private sector to increase its awareness of and compliance with international sanitary and phytosanitary (SPS) standards; assist the Zambia Revenue Authority (ZRA) to improve coordinated border management; develop agricultural information management systems; and assist the Government of Zambia to develop and operationalize a trade information portal.

To date, the Hub has made significant progress assisting the Government of Zambia to develop a TFA roadmap with a comprehensive matrix of priority reform areas as well as mitigation measures. With Hub support, the National Trade Facilitation Committee (NTFC) was strengthened to include six private sector organizations in its membership, which was previously reserved for only government agencies. The Hub has also assisted the government to socialize trade facilitation reforms among many private sector traders at several border posts. To improve coordinated border management, the Hub assisted ZRA to draft the coordinated border management policy, which will be shared with trade regulatory agencies for further validation. In addition, the Hub helped ZRA review its current training curriculum and developed five priority modules that the organization intends to use in its future staff training. These modules are now under final review by ZRA senior management and, once approved, will be a major tool in improving ZRA staff capacity in facilitating trade in Zambia. Through the Zambia Agricultural Research Institute (ZARI), the hub assisted the Government of Zambia to develop and launch the Phytosanitary Information Management System (PIMS) and is currently supporting the Ministry of Commerce, Trade and Industry (MCTI) with the development of the Zambia Trade Information Portal. The Hub has already collected more than 80 percent of the required data sets and will soon start uploading them onto the World Bank toolkit in preparation for the Portal's launch in Q1 of Year 4.

Several lessons learned inform our implementation strategy going forward:

- **Working with government and private sector.** A high level of flexibility and a results-oriented approach are critical when working with both government and private sector. On one hand, government processes and procedures take a long time, so planning is necessary to address this delay in our activities. On the other hand, the private sector is impatient for tangible and immediate results. There is need to explore other pathways that can incentivize the private sector to fully participate. The Hub will ensure forwarding planning for all government-related activities for a timely implementation of scheduled activities.
- **Working with trusted and high-caliber local Hub staff.** Most of the Hub work is centered on collaboration with government officials at the highest levels of civil service. These relationships are founded on a platform of trust and confidence with government officials and other strategic partners for support and easier buy-in of proposed interventions. The Zambia Hub team proactively reaches out to all partner representatives to encourage their full participation in Hub activities.
- **Regular contact with the USAID/Zambia Mission is important.** Although most of the Hub's activities are supported by the regional USAID office, it is important to maintain a strong relationship with local mission staff, provide them with regular updates, and, when possible, involve them in Hub activities. The Hub will continue to provide routine briefings to

USAID/Zambia on all key activities undertaken in-country to keep the Mission informed of progress made on the Zambia buy-in.

- **Approach to sustainability and capacity building.** Most of the interventions in partnership with government agencies must be sustainable beyond the life of project. Because of limited government agency funding, the Hub is focused on mechanisms that promote project sustainability, such as building the capacity of local staff within the supported departments and agencies (e.g., ZARI and ZRA) by providing STTA by local and international experts. The Hub will also support close networking between the ZRA and the South African Revenue Authority for cross learning.

CURRENT SITUATION

One of the major challenges for the Hub in working with the private sector in Zambia is that many of the companies are very small (Bushbucks) and are not yet ready to take advantage of existing trade opportunities, such as those presented by AGOA. Access to finance has been a major challenge, especially among small women-led businesses. An opportunity exists, however, for most of these firms to take advantage of regional markets, particularly the South African market.

Working with government departments in Zambia, especially ZARI, has been challenging because the government introduced austerity measures that have limited funding for several key activities. The government has banned all senior officers from travelling out from their duty stations and has stopped per diem and travel allowance payments to government staff. This funding restraint has delayed the training-of-trainers activity on the newly developed PIMS, which was planned for the plant health inspectors at various border posts. Opportunities and momentum exist, however, for support on WTO-TFA implementation because the Government of Zambia has made a commitment to implementing activities that will help it to comply with the required protocols. ZRA also welcomes assistance to help it improve its revenue collection mechanisms and opportunities. Despite the challenges of funding resources, the commitment and involvement of both the Government of Zambia and the ZRA is very high, indicating the need for continued Hub support.

APPROACH TO ACHIEVING THE OBJECTIVE

The Hub's main approach to achieving the Zambia buy-in objective of improved trade enabling environment will be to leverage interventions (cost-shared and joint programs), working closely with government agencies, especially MCTI, ZRA, and the Ministry of Agriculture. The Hub works with MCTI to spearhead all trade-related reforms as well as support the agency with an in-kind grant for the development of the Zambia Trade Information Portal. With ZRA, the Hub will influence coordinated border management and enhance the capacity building of the staff. Working closely with ZARI, the Hub will support the implementation of SPS standards in the agricultural value chains. The Hub will support sensitization workshops and stakeholder involvement sessions, especially in border post towns, to ensure that different private sector traders are familiar with new trade reforms.

ONGOING ACTIVITIES

The Hub will continue to focus on some key ongoing activities, including the development and launch of the Zambia Trade Information Portal and private sector sensitization engagements on its use. Further, the Hub will continue to enhance ZRA's capacity as a lead agency for the coordinated border management—building the capacity of ZRA staff on the revised curriculum and strengthening cooperation with the South Africa Revenue Authority. To fully understand the time and cost of doing business in Zambia, the Hub will support the undertaking of a time release study at Chirundu Border in collaboration with the World Customs Organization. Regarding SPS standards, the Hub will continue to sensitize traders on the use of the PIMS database and support a refresher course for plant health inspectors on routine updates of plant health risk profiles.

ACTIVITIES

Activity 4.1: Strengthen the National Trade Facilitation Committee

The Hub will support empowerment of the NTFC by engaging various stakeholders (such as Zambia Chamber of Commerce and Industries, Zambia Association of Manufacturers, and Cross Border Association of Zambia) in improving agency coordination, and in completing implementation of the TFA measures and roadmap. In Q1 and Q2, the Hub will conduct workshops for private sector traders to increase their awareness of TFA. In addition, the Hub will engage a short-term technical advisor to conduct a series of training-of-training workshops for point persons of the NTFC Secretariat to build its capacity to monitor and evaluate the TFA measures that are currently being implemented. The Hub's monitoring, evaluation, and learning (MEL) team will assist with strengthening the monitoring and evaluation (M&E) unit at the NTFC secretariat.

Activity 4.2: Provide technical assistance to the private sector to voluntarily comply with SPS standards

The Hub convened workshops to inform the private sector on best practices in SPS as guided by international standards and best practices. In Q2 and Q3, the Hub will continue to engage the private sector and conduct awareness-raising workshops for traders in all border towns to help them understand SPS measures and comply with international SPS requirements, as well as AGOA export opportunities. In addition, the Hub has conducted a laboratory gap analysis and needs assessment to understand the testing requirements for Feed the Future (FTF) and AGOA priority commodities and investment needs and opportunities. The Hub will support validation of the findings of the gap analysis and needs assessment and will develop a concrete action plan/roadmap for the Zambian laboratory services market system. This plan will involve collaboration with Southern Africa's accredited laboratories while the Zambian public and private laboratories will play a vital role in ensuring compliance with requirements imposed by importing countries through credible export certification services. The Hub will link selected laboratories in Zambia that are committed to improving their services to FSPs to support upgrading strategies.

Activity 4.3: Provide technical assistance to the private sector with SPS testing and inspection services

Zambia's current laws governing SPS must be updated to align with the provisions of the SADC Protocol. The Hub will support the Zambian SPS authorities to incorporate the SPS Annex to the SADC Protocol on Trade into domestic SPS policies. The Hub has previously supported ZARI to develop the PIMS—a web-based database that will store plant pest lists, commodity lists, and pest distribution data and generate pest reports critical for pest risk analysis. The Hub will continue to support ZARI to ensure that the system is fully operational and used by traders and other stakeholders by undertaking joint follow-up visits to border towns to check on how trained plant health inspectors are internalizing the PIMS in their daily work. The Hub has conducted a laboratory gap analysis and needs assessment to understand the testing requirements for Feed the Future and AGOA priority commodities. It will support validation of the findings of the gap analysis and needs assessment and will develop a concrete action plan/road map for the Zambian laboratory services market system. Zambian public and private laboratories will play a vital role in ensuring compliance with requirements imposed by importing countries through credible export certification services. This activity will be done in Q2 and Q3 through a series of sensitization workshops for traders in all border towns. The Hub will further provide support to strengthen the technical capacity in participating laboratories through competitive matching grants.

The Hub will continue to consult the Ministry of Agriculture and other line ministries and SPS authorities on how best the national SPS committee can be supported and/or strengthened. This activity will be done on a continuous basis throughout the year.

Activity 4.4: Support the domestication of SADC SPS policies

The Hub will support the Zambian SPS authorities with the domestication of the SPS Annex to the SADC Protocol on Trade. Zambia's current laws governing SPS need to be reviewed or updated to align them with the provisions of the SADC Protocol. A legal expert has already been engaged (Q1) to conduct a gap assessment of existing Zambian SPS regulations/policies as they relate to the SADC Protocol. Review and drafting of the legal text will proceed in Q2 and Q3. This activity will be followed by a stakeholders validation workshop.

Activity 4.5: Support Zambia SPS National Enquiry Points (NEPs)

The Hub has supported the Zambia Agriculture Research Institute (ZARI) in the Ministry of Agriculture with the development of the Phytosanitary Information Management System (PIMS)—a web-based database that stores plant pest lists, commodity lists, and pest distribution data and generates pest reports critical for pest risk analysis. Development of the PIMS database for Zambia was in line with the Hub's enabling environment focus on introducing modern trade facilitation tools aimed at reducing the time and cost of importing and exporting goods, to increase intraregional and international trade. PIMS was launched last year; this year, the Hub will continue to support ZARI to ensure that the system is fully operationalized and utilized by traders and other stakeholders. We will undertake joint follow-up visits to border towns to check on how the trained plant health inspectors are internalizing PIMS in their daily work. This activity will be undertaken in Q2 and Q3.

Activity 4.6: Strengthen the Zambia National SPS Committee to domesticate regional protocols

The National SPS Committee in the Ministry of Agriculture monitors Zambia's capacity to implement SPS measures and makes recommendations for technical cooperation. However, the National SPS Committee has not been fully active. The Hub intends to support the Committee by reviewing its existing mandates and development and implementation of a strategic plan. The Hub will continue to consult the Ministry of Agriculture and other line ministries and SPS authorities on how best the committee can be supported and/or strengthened. This activity will be done on a continuous basis throughout the year.

Activity 4.7: Support the Zambia Revenue Authority's Chirundu border (customs procedures) improvement plans

The Hub completed an analysis of selected projects under the TFA provisions that support trade facilitation solutions relevant to the Hub at Chirundu border post. The list of measures was closely coordinated with the NTFC, government, and private sector. One major proposal resulting from this process was to analyze border clearance procedures at Chirundu using the World Customs Organization – Time Release Study methodology. The Hub will, therefore, support the analysis of border procedures on the Zambian side of the border through a time release study to detect bottlenecks in the clearance chain at Chirundu. The study will involve both private and public sector stakeholders to ensure buy-in from the business community. This activity will be done in Q1.

The Hub also intends to engage a short-term technical advisor to support Zambia Customs in improving its risk management techniques at border points, an activity that will take place in Q2 and Q3.

Activity 4.8: Review customs procedures training curriculum

The Hub supported the development of a customs curriculum and five priority modules for Zambia Customs. The Hub further assisted Customs with development of a draft coordinated border management policy. The Hub plans to assist Zambia Customs trainers with skills development in collaboration with Customs South Africa in Q2 and Q3. The Hub will support 10 subject matter specialists within Zambia Customs to gain skills on training new and existing officers until Customs has gained the capability to effectively apply the TFA measures that Zambia has committed to implement.

Activity 4.9: Assess fees and charges

The Hub supported MCTI under the Business Review and Regulatory Agency to conduct an assessment of fees and charges on importation, exportation, and transit. The fees and charges report was validated and approved by many stakeholders and the Hub has supported the printing of 400 copies of the report. The report made a number of recommendations in order for Zambia to conform to the WTO-TFA regime on fees and charges. In FY2020, the Hub will support the dissemination of information on fees and charges to the general trading public, highlighting recommendations and the requirement to adhere to the WTO-TFA. This activity will be done throughout the year to make sure that as many traders as possible are given information on fees and charges.

Activity 4.10: Harmonize SPS border inspection procedures

Hub's support for the development of harmonized risk-based SPS inspection standard operating procedures and for strengthening of inter- and intra-border coordination to streamline border procedure will significantly shorten the process of clearing products by the different border agencies. The Hub intends to support the Ministry of Health (the national competent authority on food safety), Ministry of Agriculture (national competent authority on plant health), and Ministry of Livestock and Fisheries (national competent authority on animal health) in the development of harmonized border processes. This activity is planned for Q2 and Q3 of FY2020.

Activity 4.11: Develop resilient value chains through an agricultural information system

The Hub will support Zambian grain industry stakeholders to collaborate on and coordinate the establishment of the Zambia Grain Information System (ZAGIS). ZAGIS will collect, process, analyze, and distribute reliable market information related to grain and oilseeds trade. The aim of this activity is to develop improved grain trading and policy predictability to inform regional commodity trading. In addition, this activity is expected to contribute to transformation of markets through formal trade, benefitting small farmers, enterprises, and consumers using a market systems/value chain approach. ZAGIS will be benchmarked against the experience of the Grain Market Information Service in South Africa (www.sagis.org.za). The South African model is widely recognized as a cost-effective and efficient system, serving as a replicable model for other countries in the SADC region. This activity will be undertaken throughout FY2020.

Activity 4.12: Support LuSE and Zamace on the merger

The Hub intends to facilitate support to the merger of the Lusaka Securities Exchange (LuSE) with the Zambian Commodity Exchange (ZAMACE). The design and delivery of institutional support for LuSE and Zamace integration is expected to lead to a transition to more orderly, stable, and structured trading in the grain industry in Zambia. This activity is likely to take place throughout the year and may be concluded by the Q4.

Activity 4.13: Support the development of the Z-TIP

As part of the WTO-TFA, all member states are required to make trade information readily available. To help Zambia to comply with this requirement, the Hub will assist the Government of Zambia with

a grant to acquire the standard World Bank toolkit, which will be customized to develop the Zambia Information Trade Portal (Z-TIP). A team of experts began work on the trade portal in Q1 and this activity will continue into Q2. In addition, the Hub will provide support to build capacity of MCTI and SMART Zambia Initiative staff in updating and maintenance of the portal after official handover. After the launch, the Hub will assist MCTI in promotional and advertising activities to ensure full and sustainable use of the portal by the public.

EXPECTED OBJECTIVE 4 OUTPUTS

Activities	Expected Outputs for Year 4
Activity 4.1: Strengthen the National Trade Facilitation Committee	Output 4.1: 3 training workshops (including 1 for M&E) for the NTFC
Activity 4.2: Provide technical assistance to increase compliance with SPS standards	Output 4.2: 150 private sector traders assisted with SPS standards training
Activity 4.3: Provide technical assistance to the private sector with SPS testing and inspection services	Output 4.3: 3 laboratories capacitated/supported through grants
Activity 4.4: Support the domestication of SADC SPS policies	Output 4.4: SADC SPS policies domesticated in Zambia using short-term legal expert
Activity 4.5: Support Zambia SPS National Enquiry Points (NEPs)	Output 4.5: Phytosanitary Information Management System (PIMS) sensitized and strengthened
Activity 4.6: Strengthen the Zambia National SPS Committee to domesticate regional protocols	Output 4.6: 1 National SPS Committee and 3 NEPs supported and strengthened
Activity 4.7: Support the Zambia Revenue Authority's Chirundu border (customs procedures) improvement plans	Output 4.7: 1 coordinated border management policy reviewed and approved
Activity 4.8: Review and revise customs procedures training curriculum	Output 4.8a: Training curriculum of ZRA Customs reviewed Output 4.8b: 4 revised training modules approved
Activity 4.9: Assess fees and charges	Output 4.9: Information disseminated to the general public through at least 5 workshops
Activity 4.10: Harmonize SPS border inspection procedures	Output 4.10: 2 SPS border inspection procedures developed and published
	Output 4.11a: 5 private sector companies participate in grain information system Output 4.11b: 120 individual traders trained on grain information system
Activity 4.11: Develop resilient value chains through an agricultural information system	Output 4.11a: 5 private sector companies participate in grain information system Output 4.11b: 120 individual traders trained on grain information system
Activity 4.12: Provide support to the merger of LUSE and ZAMACE	Output 4.12: 45 traders participate on LUSE-ZAMACE platform
Activity 4.13: Support the development of the Z-TIP	Output 4.13: 1 Zambia Trade Information Portal developed and launched

3. MANAGEMENT AND OPERATIONS

PROGRAM MANAGEMENT AND ADMINISTRATION

ONE TEAM APPROACH

As the Hub begins Year 4, the focus for its management and administration will move away from distinct team delineations in terms of components to concentrate on a one team approach. As the team delivers technical assistance and support to project partners, it will shift away from separating technical components and foster an overlapping portfolio approach in which commonalities and linkages among technical; communications and knowledge management; monitoring, evaluation and learning; procurement; finance; human resources (HR); and administration aspects will be reinforced to improve technical delivery, compliance, and accountability.

From Bethesda, DAI's Project Management Unit (PMU) supports Hub implementation in consultation with the Chief of Party (COP) and the Director of Operations to understand resource needs and the timing of interventions for the successful delivery of the Hub. The PMU provides project management, contracts, technical, and financial expertise support through routine weekly team calls, PMU action orientated task trackers, quarterly reviews, and regular visits. The PMU also fields STTA consultants and consolidates lessons learned and successes from other projects in DAI's global portfolio that are relevant to the Hub.

All program activities are coordinated and implemented through the regionally based field team. The COP provides overall leadership and oversight for field operations and is supported by the technical, MEL, communications and knowledge management, and operations teams. The Deputy Chief of Party (DCOP) oversees and provides technical leadership to the Hub's activities and manages the country-based teams in Zambia, and the proposed teams in Malawi, Mozambique, and the Eswatini/Lesotho¹⁶ cluster. The DCOP plays a crucial role in integrating the work of the technical team to ensure high-quality technical deliverables and coordinating between activities to ensure optimal field implementation. The DCOP oversees technical delivery and facilitates synergy among the objectives. The DCOP also serves as Acting COP when necessary.

The Director of Communications and Knowledge Management (Comms/KM) is responsible for all external communications, ensuring the Hub's messaging is clear and accurately reflects the project's successes and lessons. The MEL team is led by a MEL Manager. Along with the Director of Comms/KM, the MEL Manager is tasked with ensuring accurate reporting on project deliverables and providing technical support to the Hub's wider team. Both report directly to the COP.

The Director of Operations manages the finance, administration, procurement, contracting, and HR functioning of the project and for the Hub's grantees, subcontractors, and consultants. In addition, the Director of Operations acts as the project's compliance and ethics manager, ensuring that the team understands both the rules and regulations under which the Hub operates and the culture of working for DAI and with USAID. Using a mantra of "trust and verify," the operations team enables the vision of the technical team while safeguarding value for money and a high level of compliance.

¹⁶ The choice of Hub country presence is informed by the number of export firms to be supported and the nature of coordination activities required to move exports from targeted countries to South Africa. In addition, there is need for effective monitoring, evaluation, and learning support at the country level to ensure that data are collected at the earliest instance of intervention.

Please see the Hub organizational charts in Figures 3 and 4.

Completing the Hub's approach and complementing the long-term staff, STTA experts will provide specialized support where needed as a flexible and quick way to ensure project delivery.

UPCOMING RECRUITMENT ACTIVITIES

- COP to lead the final two years of the project. In the interim, Golden Mahove, DCOP, will serve as Acting COP. George Makore will be Acting DCOP.
- Director of Operations to lead the operations team. In the interim, in September 2019, the Hub mobilized DAI employee R. (Bill) Barkle to ensure no interruption in planned activities.
- Country Representatives and Program Assistants in Malawi, Mozambique, Namibia, and Eswatini and/or Lesotho.
- Investment Director to lead the investment portfolio of activities and two Investment Specialists to support the Director.
- Two Program Assistants to support the technical team and a third to support the MEL team.
- A Program Associate to work with the COP.
- Two Operations Assistants to support the operations team.

FIGURE 5: SOUTHERN AFRICA TRADE AND INVESTMENT HUB TECHNICAL TEAM

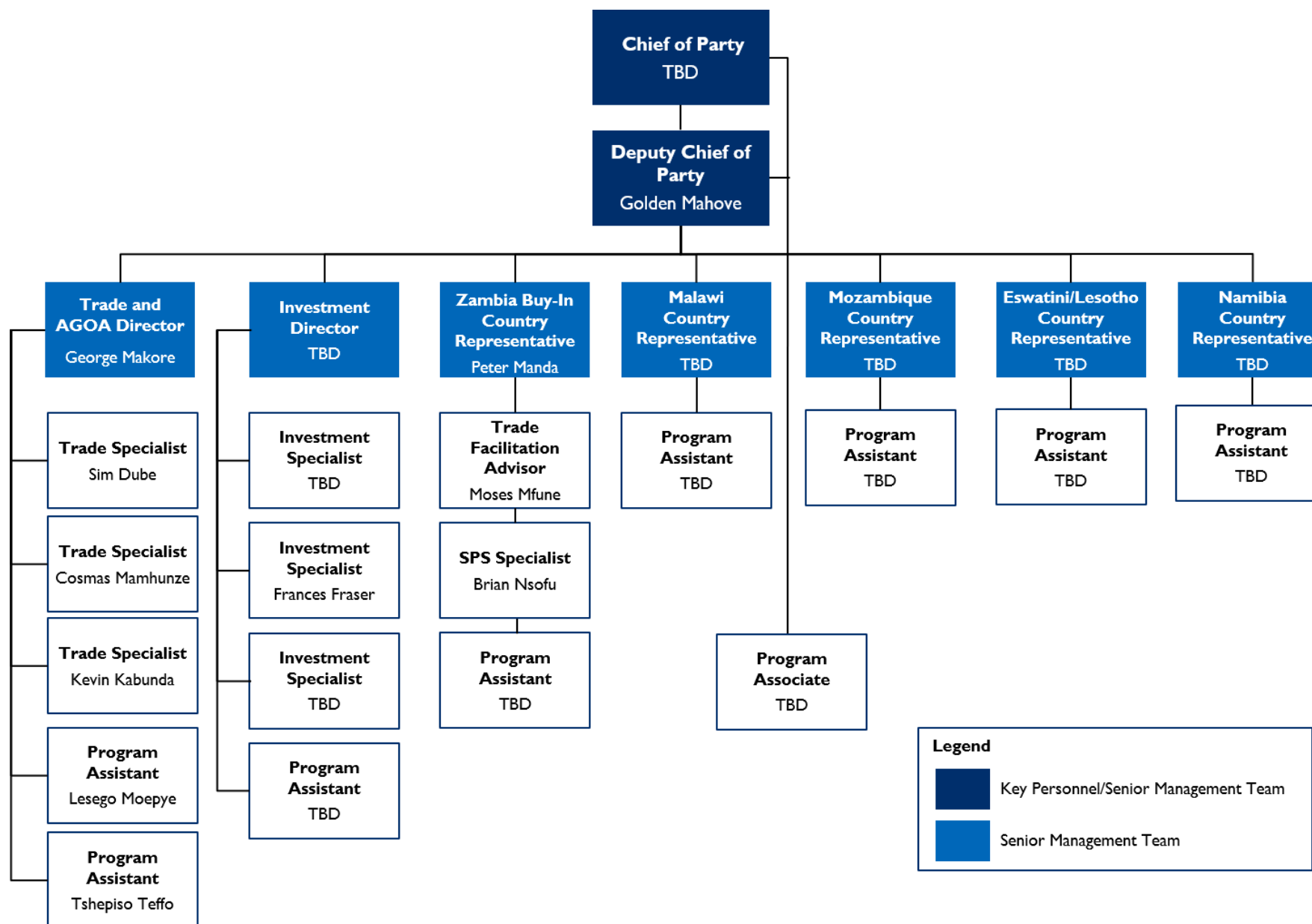
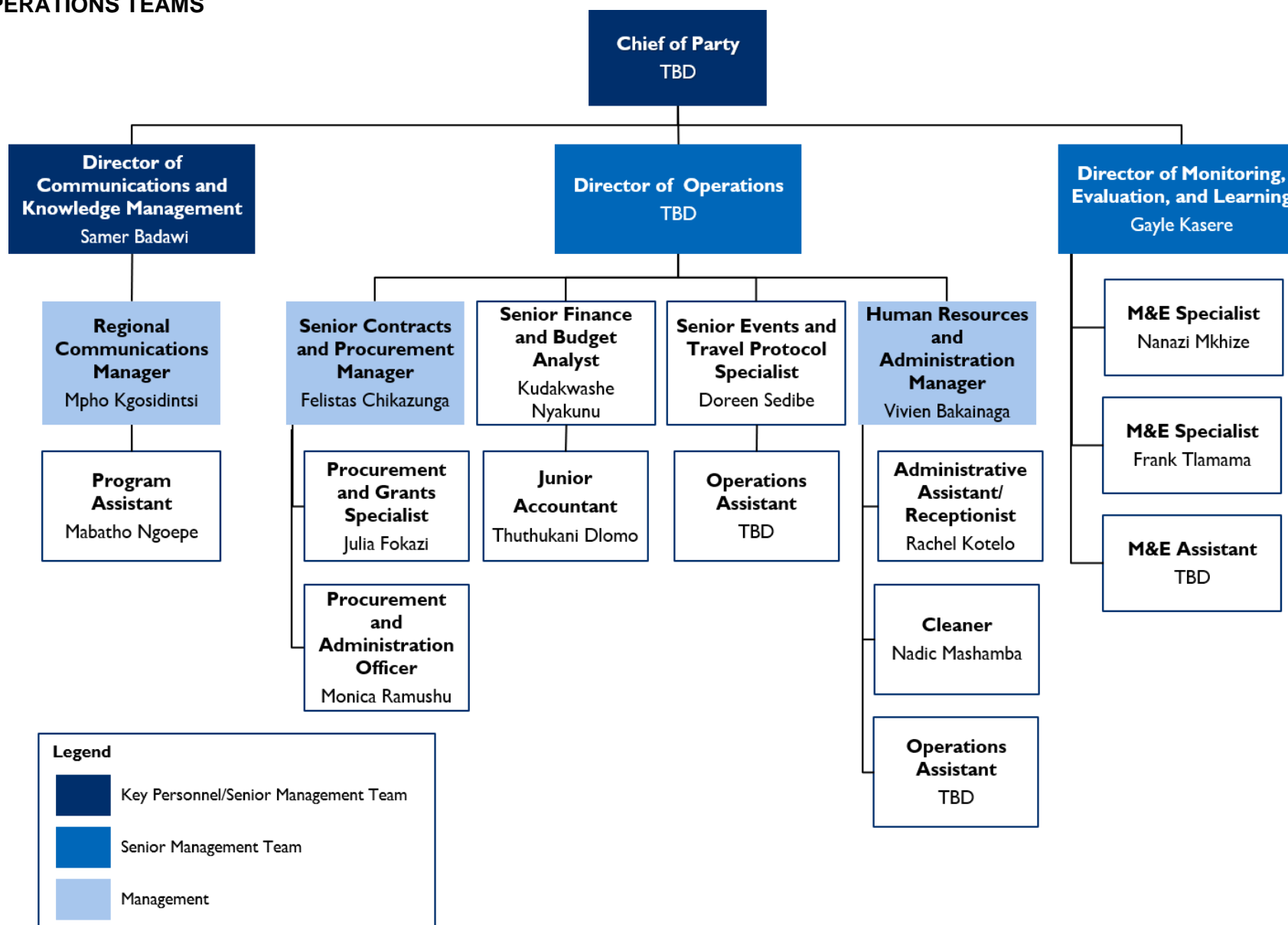


FIGURE 6: SOUTHERN AFRICA TRADE AND INVESTMENT HUB COMMUNICATIONS, KNOWLEDGE MANAGEMENT, MEL, AND OPERATIONS TEAMS



OPERATIONS

Based on lessons learned from the past three years, the operations team—which includes HR, Administration, Procurement, and Finance—will continue to streamline internal processes to meet planned timetables for contract and activity deliverables and concentrate on a proactive One Team approach to deliver technical objectives. As part of this effort, the Hub has mapped out activities, their timelines, and their budgets. These will be reviewed at biweekly meetings with technical, operations, MEL, finance, and procurement team members. During these meeting, progress can be tracked, issues can be identified and addressed, and resources can be adequately assigned. Additionally, in advance of quarterly reports, the Hub will hold progress meetings with USAID to track the work plan’s implementation, provide qualitative feedback, and plan for the upcoming quarter. At the end of the year, a review and reflect workshop will be planned with USAID to assess the successes of the year and plan the project Year 5 Annual Work Plan. These meetings will improve planning, gather results, track activities more effectively and increase the team’s communication, interdepartmental understanding, budgeting, roles and responsibilities, accountability, and risk management.

Associated with this effort to streamline processes, where appropriate, the Hub will move away from subcontracts that are level of effort- or time-based to a more flexible, proactive, deliverables-based subcontract mechanism that allows us to test, pause, reflect, and adapt.

DAI will continue training activities to support the team in areas such as compliance, ethics, and best practices.

HUMAN RESOURCES

HR will continue to offer support to the Hub in recruiting both long- and short-term technical assistance and ensuring the project meets its legal obligations and maintains updated policies and procedures. HR will also provide support in areas such as staff development, team building, and annual performance appraisals to ensure a highly motivated and proactive team meets the Hub’s objectives for the year.

ADMINISTRATION

The administrative support team will continue to provide logistical arrangements for Hub events and travel as well as support general project facilities management.

PROCUREMENT

By ensuring compliance with USAID and DAI acquisition rules and regulations, the procurement team will effectively perform cost analysis and provide quality assurance for all procurements. In addition, the procurement team will widen the portfolio of prequalified vendors and suppliers through expressions of interest and market research to simplify awards and meet technical needs efficiently.

FINANCE

Finance plays a critical role in supporting the Hub’s activity implementation through budget development, reporting, and compliance. Additionally, the finance team submits bi-monthly financial reports to DAI’s home office so that client invoices can be prepared and to ensure the project meets its contractual reporting requirements in areas such as value added tax (VAT), income tax, and quarterly accruals.

COMPREHENSIVE LIST OF ACTIVITIES FOR PROJECT YEAR 4

The Hub’s operational activities for project Year 4 are designed to build on lessons learned from previous years. To better integrate the team across technical disciplines and departments, activities are designed to break out of the previous years’ “component lead” silos and foster understanding,

communication, and more rapid reflection and reaction. The overall work plan is designed to be time-bound and results-oriented, and our management activities will ensure the team implements and operates more effectively. Activities include:

- Holding weekly Senior Management Team meetings to reflect and plan. These will support ongoing efforts to develop the Hub's internal communications and ensure better synergy and understanding within the team and departments.
- Conducting regular biweekly technical activity meetings to streamline operational activities and meet Fiscal Year 2020 project objectives, timelines, and budgets.
- Hosting monthly Education Hour workshops that will include short presentations and training sessions to improve the team's understanding of compliance and operational systems such as the procurement process, contracting, and HR, and to promote understanding of technical activities, successes and, crucially, failures.
- Responding to the demands of the program by ensuring quick recruitment of short- and long-term technical support from our growing database of technical and operational experts.
- Holding ongoing monthly team building and feedback sessions to explore communication needs, improve team dynamics, and prepare for the Hub's annual team-building session in the last quarter.
- Holding monthly strategy review meetings with USAID to understand what is working, what needs to be changed, and how the Hub measures progress against the work plan. This will be consolidated in the last quarter through a strategy review session to develop the project Year 5 annual work plan.
- Holding Quarterly Project Review conference calls with DAI's PMU in Bethesda to track progress on workplan and performance indicators, and identify areas where project management, contractual, technical, and financial expertise and support may be required.
- Holding DAI's training in USAID Procurement/Contract and Grant management in the first quarter and then establishing a quarterly follow up and review on the subject. The training is targeted for operations, technical, MEL, and communications staff. It improves understanding of USAID and DAI rules and regulations, fosters a compliance and ethics-based work environment, and will support efforts to streamline processes allowing a fast and flexible approach to implementation needs and realities.

4. COMMUNICATIONS AND KNOWLEDGE MANAGEMENT

VISION

The goal of the Comms/KM functions of the Hub is to increase project effectiveness and sustainability by supporting the project as well as the public and private sectors to effectively capture and present key messages. The Comms/KM team supports the project's goals and objectives by improving private sector awareness and understanding of key aspects of international trade and investment within Southern Africa and regarding trade to the United States under AGOA. The Comms/KM team coordinates closely with internal and external stakeholders, including USAID Southern Africa Bilateral Missions, strategic government and institutional partners, and private sector actors to ensure that our partners are informed of our successes, challenges, and results, along with ongoing and planned initiatives. The Comms/KM team collaborates with the Hub's MEL and technical teams to consolidate and convey project performance through weekly progress reports, monthly newsletters, and annual reports. In addition, the team manages the communications and reports on key events and augments Hub reporting with a range of multimedia communications products, including photos, videos, and success stories designed to be more accessible to a general audience.

ACTIVITIES

This year, the Comms/KM team will ramp up efforts to build the sustainability of communications activities by developing close working relationships with TPSPs, TIPAs, BMOs, and other partners. In addition, the project will build on existing relationships with public and private sector actors throughout Southern Africa, focusing on intraregional trade opportunities and successes and institutions that are positioned to support trade facilitation and finance. The team will also work with these partners to promote exporter understanding of AGOA utilization and country-specific trade regulations and procedures. In collaboration with TPSPs, TIPAs, and BMOs, the Comms/KM team will similarly support private sector firms in the development of marketing materials for use during trade shows, buyer missions, and business-to-business events. The Comms/KM team will lead project reporting activities and the creation of project learning pieces, such as case studies, fact sheets, and/or infographics. The primary Comms/KM activities for Year 4 are shown below in Figure 5.

FIGURE 7: COMMUNICATIONS/KNOWLEDGE MANAGEMENT FY2020 ACTIVITIES

Activities	Q1			Q2			Q3			Q4			Partners	Hub Activity Lead	Expected Output
	O	N	D	J	F	M	A	M	J	J	A	S			
Trade Communications and Knowledge Management Support															
Capture and disseminate notable results, opportunities, and lessons learned															
Construct human interest piece on trade (e.g., program success story, program video)	x				x				x				N/A	Samer	3 Pieces
Construct learning piece on trade (e.g., program fact sheet, program case study, program infographic)			x				x				x		N/A	Samer	3 Pieces
Investment Communications and Knowledge Management Support															
Capture and disseminate notable results, opportunities, and lessons learned															
Construct human interest piece on investment (e.g., program success story, program video)			x				x				x		N/A	Samer	3 Pieces
Construct learning piece on investment (e.g., program fact sheet, program case study, program infographic)	x				x				x				N/A	Samer	3 Pieces
AGOA Communications and Knowledge Management Support															
Capture and disseminate notable results, opportunities, and lessons learned															
Develop communication strategy on AGOA	x				x				x				USAID - Southern Africa	Mabatho	N/A
Support implementation of AGOA communication strategy (e.g., FDA fact sheet, FDA checklist, FDA regulator updates, AGOA fact sheet)		x				x				x			USAID - Southern Africa	Mabatho	3 Pieces
Zambia Buy-In Communications and Knowledge Management Support															
Develop communication strategy for Zambia Buy-In			x				x				x		NFTC, ZRA	Samer	N/A
Support implementation of Zambia Buy-In communication strategy (e.g., Zambia customs procedure fact sheet, Zambia Trade Information Portal fact sheet)				x				x				x	NFTC, ZRA	Samer	3 Pieces

Activities	Q1			Q2			Q3			Q4			Partners	Hub Activity Lead	Expected Output
	O	N	D	J	F	M	A	M	J	J	A	S			
Private Sector Marketing Strategy and Support															
Develop TPSP, TIPA, BMO, and private sector firm marketing strategy	x		x		x		x		x		x		TIPA, BMO, TPSP, Firms	Mpho	N/A
Support TPSP, TIPA, BMO, and private sector firm marketing strategy implementation (e.g., firm fact sheet, firm brochure, firm catalogue)		x		x		x		x		x		x	TIPA, BMO, TPSP, Firms	Mpho	6 Pieces
Reporting															
Construct program weekly summary bullets of accomplishments or upcoming events	x	x	x	x	x	x	x	x	x	x	x	x	N/A	Mabatho	52 Progress Reports
Construct program quarterly report			x			x			x			x	USAID - Southern Africa	Mpho	4 Reports
Construct program annual report											x	x	USAID - Southern Africa	Samer	1 Report

Activity 1: Communications and knowledge management support for trade

The Comms/KM team will lead project knowledge management efforts as they relate to the project's trade objective, documenting innovative partnerships, approaches, and interventions. The team will collaborate with the MEL and technical teams to facilitate after-action reviews and lessons learned workshops, forming content into reports, case studies, business cases, factsheets, infographics, etc. The team will provide lessons learned learning pieces to USAID/Southern Africa and other stakeholders to strengthen ongoing and future interventions. The Comms/KM team will also develop human-interest pieces including success stories and videos. The team will produce three learning pieces and three human interest pieces related to trade.

Activity 2: Communications and knowledge management support for investment

The Comms/KM team will lead project knowledge management efforts as they relate to the project's investment objective, documenting innovative partnerships, approaches, and interventions. The team will collaborate with the MEL and Technical teams to facilitate after-action reviews and lessons learned workshops, forming content into reports, case studies, business cases, factsheets, infographics, etc. The team will provide learning pieces to USAID/Southern Africa and other stakeholders to strengthen ongoing and future interventions. The Comms/KM team will also develop human-interest pieces including success stories and videos. The team will produce three learning pieces and three human interest pieces related to investment.

Activity 3: Communications and knowledge management support on AGOA

The Comms/KM team will build on existing work addressing knowledge gaps related to the utilization of AGOA benefits by Southern African private sector firms. The team will work with public sector partners, including the Lesotho Ministry of Trade and Industry; Eswatini Ministry of Commerce, Industry, and Trade; and Namibia Ministry of Industrialization, Trade and SME Development, to finalize and disseminate their AGOA utilization strategies. In addition, the team will raise awareness of AGOA and the opportunities it provides through a wide range of media including fact sheets, checklists, brochures, and bulletins. The team will share resources and capacitate relevant stakeholders, including TIPAs and BMOs, that can enhance those resources' distribution and continue their promotion after the project ends. AGOA resources will be made available through the project website. The team will produce three communications pieces contributing to Hub's AGOA objective and benefits.

Activity 4: Communications and knowledge management support for the Zambia Buy-In

The Comms/KM team will work with the Zambia Buy-In technical team to develop communications products related to Zambia Buy-In interventions and notable results. Expected communications products include fact sheets outlining key Zambia customs procedures as well as users guides for the Zambia Trade Information Portal and the Zambia National Pest Risk Management Portal. The Comms/KM team will develop communications products in coordination with the Zambia Revenue Authority, Zambia Ministry of Agriculture and Livestock, and Zambia National Trade Facilitation Committee. The team will produce three communications pieces contributing to the Hub's Zambia Buy-In objective and results.

Activity 5: Private sector marketing strategy and support

In collaboration with TPSPs, TIPAs and BMOs, the Comms/KM team will work with private sector firms to develop marketing strategies and marketing products. The team will produce six marketing pieces contributing to overall Hub goals and objectives.

Activity 6: Project reporting

In FY2020, the Comms/KM team will lead periodic reporting in alignment with the Hub contract. More specifically, the team will produce weekly summary bullets on accomplishments or upcoming

important events, quarterly reports, and annual reports. Although the Comms/KM team will lead the construction of these documents, it will work closely with the MEL and technical teams to ensure the content is accurate and reliable. The team will produce 52 weekly progress reports, 4 quarterly reports, and 1 annual report.

6. MONITORING AND EVALUATION

VISION

The overall goal of the M&E/collaborating, learning, and adapting (CLA) functions within the Hub are to ensure that the project effectively, efficiently, and sustainably achieves its objectives through a continuous process of evidence-based decision-making based on systematic learning and reflection. All M&E and CLA activities are implemented under the supervision of the Hub's MEL team, however, more generally, M&E and CLA roles and responsibilities are institutionalized across the project, with all members of the project contributing to M&E and CLA activities. M&E activities under the project primarily focus on the systematic collection and analysis of data associated with the underlying project logic, ensuring that project outputs lead to outcomes, outcomes lead to objectives, and objectives lead to goals. This process is guided by the project performance monitoring and evaluation plan (PMEP) and its component parts including the project results framework and performance indicator reference sheets. In addition, to ensure that analysis is based on data that is accurate, consistent, complete, relevant, accessible, and timely, the project periodically conducts data quality assessments (DQAs). In September 2019, the project team conducted a DQA, producing several findings and recommendations. These recommendations, as well as recommendations from previous internal DQAs conducted with the support of DAI's Managing for Development Results team, have been incorporated into the annual workplan and will be a focus of MEL team in FY2020.

Beyond incorporating the DQA findings and recommendations, the MEL team will also strengthen the MEL system by revising the project PMEP in partnership with USAID and by improving the project management information system. The updated PMEP will include new indicators reflecting the new direction of the partnership. The new PMEP will provide the tools and information to ensure that the project is well monitored and managed in achieving our performance targets going forward. The MEL team will continue existing efforts, including periodic field-level data collection efforts and monitoring visits and support to weekly, monthly, quarterly, and annual reporting.

In addition, the MEL team will ensure that CLA activities are regularly implemented under the Hub, ensuring that the project is continuously reflecting on whether the project is working with the right organizations, in the right way, and on the right things. The MEL team will employ a range of tools including, reflection meetings, decision logs, issue logs, after-action reviews, and lessons learned workshops to ensure that project lessons learned are captured and used to adapt project implementation. While CLA activities are already in place within the project, the project currently lacks a formal framework to guide its CLA work. In FY2020, the MEL team will implement a CLA Plan in collaboration with USAID/Southern Africa and will focus efforts on implementing process, systems, and activities outlined with the plan. To ensure that project lessons learned are documented and disseminated beyond the project itself, the MEL team will work closely with the Comms/KM team to design and execute at least three knowledge sharing/lessons learned pieces, on subject matter relevant to a project Learning Agenda that will be developed as part of the updated PMEP.

ACTIVITIES

In FY2020, the MEL team will focus on strengthening existing processes and systems, including MEL and Information Management (IM) systems, and developing new systems, including CLA

systems, to better ensure that program interventions are evidence-based and built upon learning and reflection. The primary MEL/CLA activities for FY2020 are shown below in Figure 6.

FIGURE 8: MEL/CLA FY2020 ACTIVITIES

Activities	Q1			Q2			Q3			Q4			Partners	Hub Activity Lead	Expected Output
	O	N	D	J	F	M	A	M	J	J	A	S			
General															
Revise in partnership with USAID/implement PMEP	x	x	x										USAID - Southern Africa	Gayle	1 Updated PMEP
Develop/implement CLA Plan	x	x	x										USAID - Southern Africa	Gayle	1 Updated CLA Plan
Collaboration															
Hold coordination meeting – USAID	x	x	x	x	x	x	x	x	x	x	x	x	USAID - Southern Africa	Golden	12 Meetings
Hold coordination meeting – DAI	x	x	x	x	x	x	x	x	x	x	x	x	DAI	Golden	12 Meetings
Hold coordination meeting – bilateral projects (e.g., Mozambique Feed the Future Agricultural Innovations (INOVA); Mozambique SPEED+; Malawi Feed the Future [FTF] Agricultural Diversification; Southern Africa FTF Seed Trade)		x			x			x			x		INOVA; SPEED+; Ag Diversification; FTF Seed Trade	Golden	4 Meetings
Learning															
Facilitate learning events (e.g., after-action review, lessons learned workshop)	x			x			x			x			N/A	Gayle	4 Events
Facilitate brownbag sessions		x			x			x			x		USAID - Southern Africa	Gayle	4 Sessions
Adapting															
Conduct quarterly reflection meetings			x			x				x			USAID - Southern Africa	Golden	3 Updated Workplans
Conduct annual reflection meeting												x	USAID - Southern Africa	Golden	1 Updated Workplan
Develop decision log	x	x	x	x	x	x	x	x	x	x	x	x	USAID - Southern Africa	Golden	N/A
Develop issue log	x	x	x	x	x	x	x	x	x	x	x	x	USAID - Southern Africa	Golden	N/A

Activities	Q1			Q2			Q3			Q4			Partners	Hub Activity Lead	Expected Output
	O	N	D	J	F	M	A	M	J	J	A	S			
Monitoring															
Conduct field monitoring visit and data collection effort	x			x			x			x			N/A	Gayle	N/A
Conduct internal DQA						x							N/A	Gayle	1 DQA Report
Redesign management information system - data collection		x	x										N/A	Frank	N/A
Redesign management information system - data cleaning			x										N/A	Frank	N/A
Redesign management information system - data management/storage			x	x									N/A	Frank	N/A
Redesign management information system - data analysis				x	x								N/A	Frank	N/A
Redesign management information system - data visualization					x								USAID - Southern Africa	Frank	1 Data Visualization Dashboard
Support program weekly progress report construction	x	x	x	x	x	x	x	x	x	x	x	x	N/A	Nanazi	N/A
Support program monthly newsletter construction	x	x	x	x	x	x	x	x	x	x	x	x	N/A	Nanazi	N/A
Support program quarterly report construction			x			x			x			x	N/A	Nanazi	N/A
Support program annual report construction											x	x	N/A	Nanazi	N/A
Evaluation															
N/A													N/A	Gayle	N/A

Activity 1: Revise PMEP

The MEL team will revise the project PMEP in partnership with USAID, ensuring that the plan is complete, comprehensive, and sufficient for effectively guiding project monitoring and evaluation activities. The revised PMEP will include an updated conceptual model and logical framework as well as proposed indicators and performance indicator reference sheets to align with the new project direction. The plan will include a detailed description of project procedures for measuring contribution of project outputs to outcomes and objectives. The plan will include updated procedures and systems for data collection, management, and analysis and an updated MEL staffing plan. The plan will include a project Learning Agenda developed collaboratively with USAID/Southern Africa. In FY2020, the MEL team will revise the PMEP.

Activity 2: Update project management information system

The MEL team will redesign existing information management systems to more effectively facilitate information sharing within the project, including through the creation of a project dashboard, built on Microsoft's PowerBI, designed to visualize key programmatic information for project decisionmakers. In addition to developing the dashboard, the MEL team will strengthen existing systems including project operational data currently stored in DAI's Technical and Administrative Management Information System and project programmatic data currently stored in Microsoft SharePoint. The MEL team will work to integrate these technologies, providing a more complete picture of the connection between project activities, outputs, and outcomes for project decisionmakers. In FY2020, the MEL team will develop one data visualization platform.

Activity 3: Conduct field monitoring visits and data collection efforts

The MEL team will regularly conduct field monitoring visits to project locations, ensuring that data reported by partners is accurate and reliable. In addition, during these visits, the MEL team will build partner capacity on key MEL tasks including data collection, management, analysis, and reporting. On a semi-annual basis, the MEL team will conduct outcome surveys with TIPAs, BMOs, and firms to better understand project achievements against outcome indicators, including indicators related to firm application of technologies and management practices, sales, investment and employment. In addition, to further ensure accuracy and reliability, the DAI home office team will conduct regular internal DQAs with findings and recommendations supporting adaptation and improvement of program management tools, systems, and procedures. In FY2020, the MEL team will conduct two semi-annual data collection efforts.

Activity 4: Hold regular coordination meetings

The Hub management team will focus on improving Hub coordination and collaboration with USAID/Southern Africa and aligned bi-lateral USAID projects including Mozambique INOVA, Mozambique SPEED+, Malawi FFF Agricultural Diversification, and Southern Africa FTF Seed Trade. The Hub management team will regularly communicate across these stakeholders and will promote cross-learning where relevant and appropriate. In FY2020, the Hub management team will conduct monthly coordination meetings with USAID/Southern Africa and DAI and will conduct coordination meetings with bilateral USAID projects as relevant and appropriate.

Activity 5: Conduct quarterly and annual reflection meetings

The MEL team will facilitate quarterly and annual reflection meetings. In these meetings, the Hub and USAID/Southern Africa staff will come together to reflect on key elements of project performance including focused reflections on project time, scope, and budget. The reflection meetings will reference key project tools including indicator tracking tables, workplans, and financial reports. In these meetings, participants will discuss areas of success and areas for improvement and will update plans to leverage strengths and minimize weaknesses. In FY2020, the MEL team will conduct three quarterly reflection meetings and one annual reflection meeting.

Activity 6: Facilitate learning events and brownbag sessions

The MEL team will facilitate a series of learning events focused around topics to be developed following the establishment of a project Learning Agenda that will be developed as part of the updated PMEP. The learning events are expected to include participatory learning methods including after-action reviews and lessons learned workshops. These learning events are expected to contribute to both the project's as well as the larger USAID/Southern Africa knowledge base. Outputs of these events will be documented by the MEL team and packaged by the Comms/KM team. In addition to the written outputs of the learning events, the MEL team will also coordinate and facilitate project brownbag sessions designed to rapidly disseminate learning across DAI, USAID/Southern Africa, and partners. In FY2020, the MEL team will facilitate four learning events and four brownbag sessions.

Activity 7: Develop decision log and issue log

The MEL team, along with the Hub's management team, will develop a project decision log and a project issue log. These logs will be continuously maintained throughout the life of the project and will serve as the primary tools for documenting what decisions were made and by whom as well as what issues are outstanding and what actions are being taken to address them. The tools are expected to improve the effectiveness and efficiency of project management and will promote transparency and individual accountability. These tools will be shared regularly with USAID/Southern Africa. In FY2020, the MEL team will develop and maintain project decision and issue logs.

ANNEX A: COUNTRY IMPLEMENTATION PLANS

The Hub has developed individual implementation plans for each of the eight countries it covers. Copies of these plans are available through the USAID/Southern Africa Regional Economic Growth Office.